

1958

GRAND JURY REPORTS



CITY AND COUNTY OF
SAN FRANCISCO

CALIFORNIA

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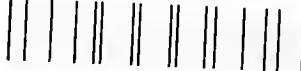
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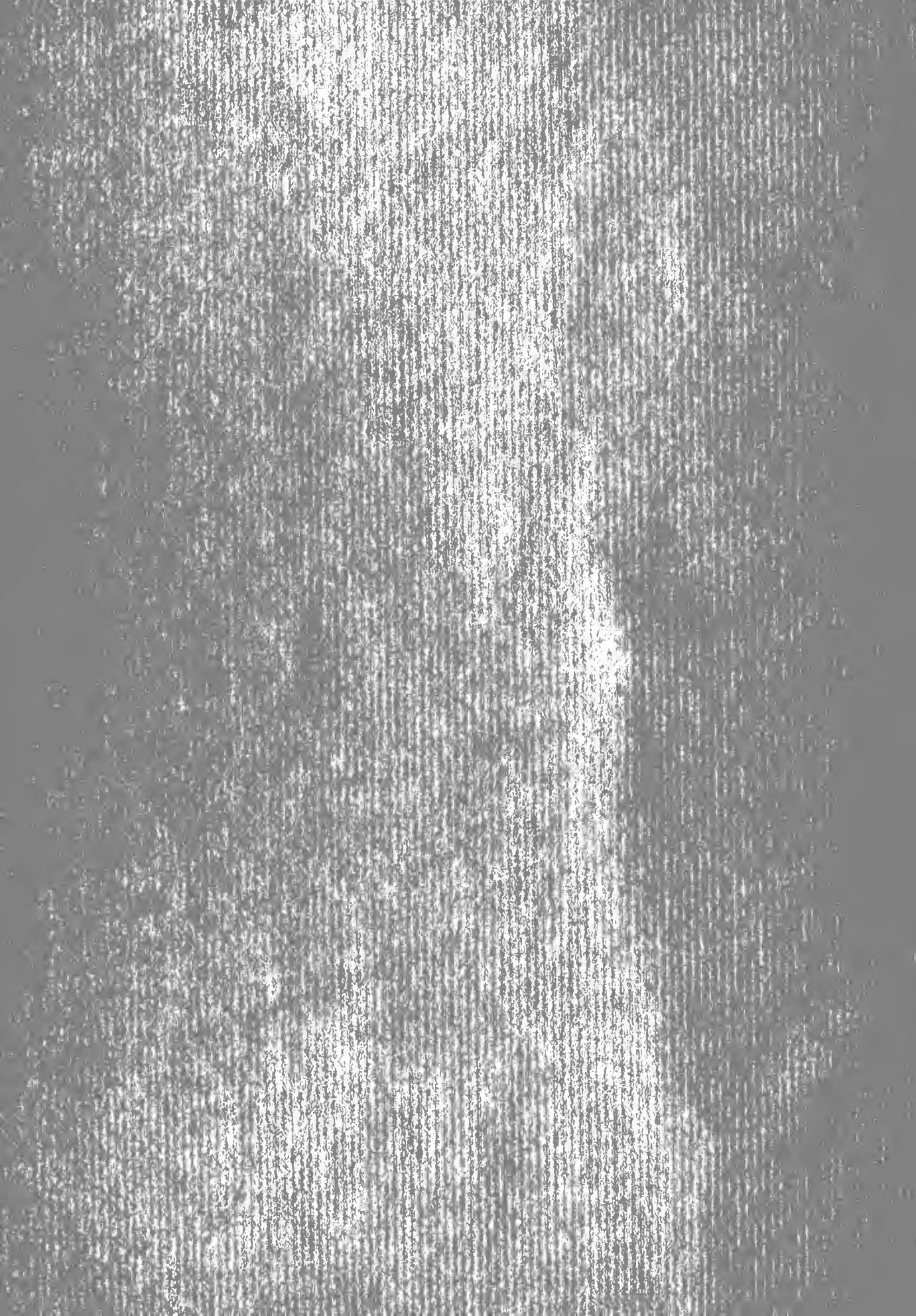
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G R A N D J U R Y
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C I T Y & C O U N T Y O F S A N F R A N C I S C O

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Foreman

HENRY E. NORTH

Secretary

PAUL A. RYAN

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WILLIAM E. BERELSON

MRS. MARGARET A. KLAUSER

MILLARD S. BURY

MRS. GERTRUDE LEVISON

ANGELO E. CAMPANA

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JOHN H. CASENAVE

HOWARD H. LOWRY

THORNTON J. CORWIN, JR.

LEO J. MURPHY

HENRY L. GIBBS

JOSEPH S. QUAN

CONRAD J. GRIEDER

WILLIAM J. RAFFETTO, JR.

HECTOR J. GIUNTINI, JR.

ROY J. SCOLA

ROLLAND W. YOUNG

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Impaneled January 9, 1958

Discharged January 8, 1959

David F. Supple
Consultant-Statistician

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GRAND JURY OF THE CITY AND COUNTY OF SAN FRANCISCO

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December 30, 1958

The Honorable Harry J. Neubarth
Presiding Judge of the Superior Court
of San Francisco County

Sir:

It was on January 9, 1958, that you gave me a very signal honor, and that was to appoint me Foreman of the 1958 Grand Jury. Of the many civic affairs I have had the privilege of being a part of in San Francisco, I prize none as high as being a member of the Grand Jury, and especially its Foreman. I do indeed thank you for giving me this opportunity to fulfill a long ambition.

Attached are the reports of all the committees of the 1958 Grand Jury, including the special report in regard to the so-called Giants' Stadium. I think you will find these reports to be very informative.

We have had many trials and tribulations, but they were all accepted in good part by all of the Jurors. It was a Jury not easily swayed by one person or a group. They were very deliberate and very argumentative at times, but these arguments among ourselves were almost totally devoid of acrimony.

The attendance was good at all times, except during the summer months when time was taken for vacation. The Jury members were intensely interested and conscientious at all times and paid great attention to the District Attorney and his aides when they brought cases before us. They were not a Jury that would vote without first properly looking into every phase of the indictments presented to us. As a matter of fact, you might classify them as a "show me" jury.

We are indebted to Mr. Lynch, the District Attorney, and to Mr. Norman Elkington and their aides for explaining many things in regard to the criminal aspect of the law and for guiding us in regard to the law. They were patient at all times and went to the extreme to make sure that we understood the varicus parts of the criminal code.

Although we were very much interested in the indictments that were presented to us by the District Attorney, I know the Jury was equally interested in investigating and looking into how the City and County government operates. They worked long hours throughout the year. Some of our Jurymen and Jurywomen were busy almost every day of the week looking into the various phases of the County government. It was my pleasure to sit in on many of the meetings, and I found them very interesting, informative and very enlightening. We considered it a privilege to have the opportunity of getting acquainted with the men and women who work for the City and County of San Francisco and looking over the properties and

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institutions of the City and County. As a result, the Jury has a finer knowledge of the government of the City and County of San Francisco than they have ever had before. We have read with interest the reports and recommendations of former Grand Juries, which were thoughtful, intelligent and sincere. We endeavored to follow through on some of the recommendations they made, especially the one made by the 1957 Grand Jury in regard to narcotics.

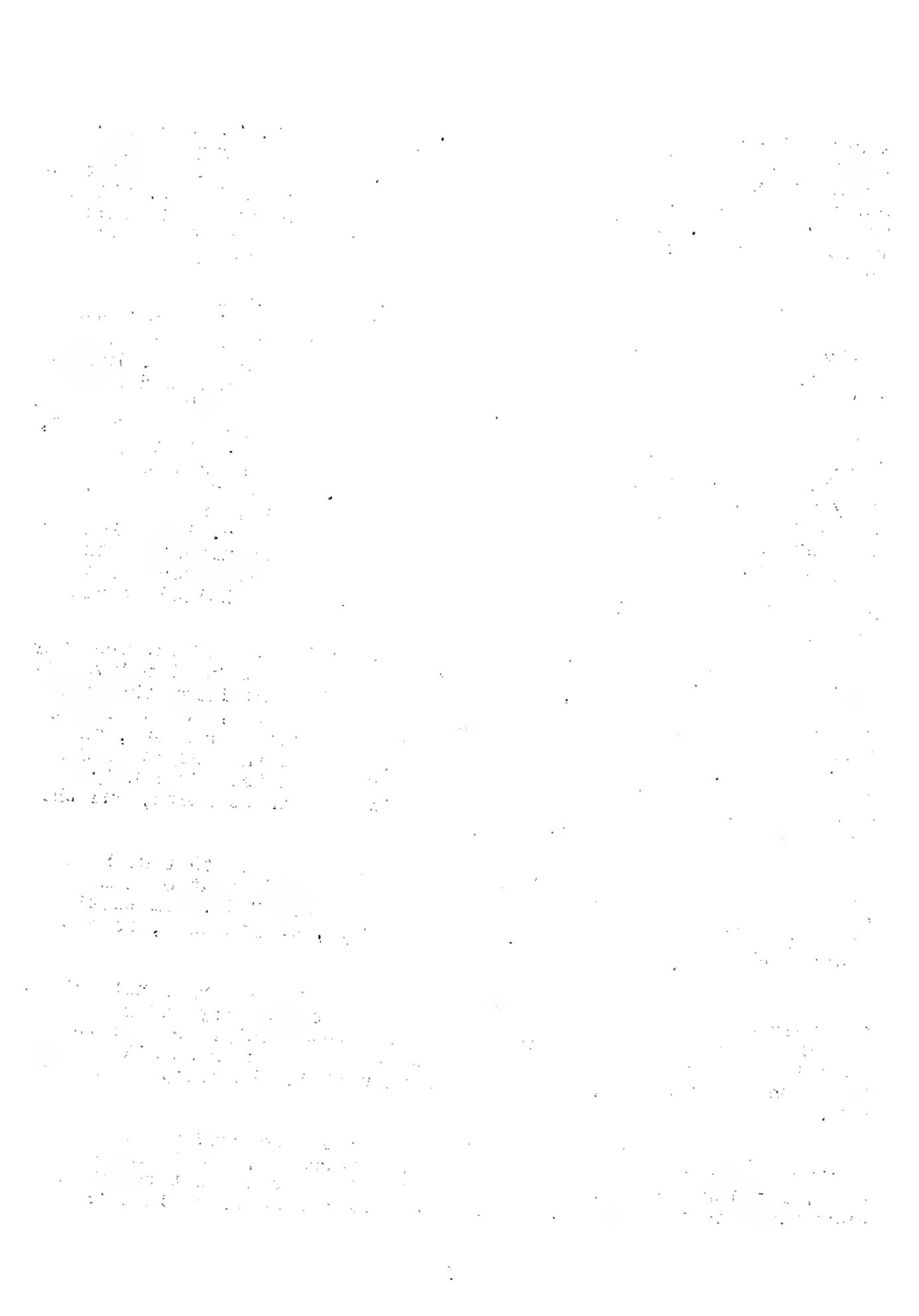
All of the meetings with the county officials and employees were pleasant. Our committees were courteously received and graciously assisted in their investigations, despite, in some cases, our obviously critical attitude. The reports of the Jury are illuminating and will show that we found many things that can be done to help situations that now exist. However, we did not always wait for our final report to bring to the attention of the people in charge, things that we felt could be corrected at that time, and they (the people in charge) were always very receptive and praised the Grand Jury for being interested in their problems. Many of the suggestions were carried out at that time or very shortly afterwards and brought about changes that were beneficial. However, in making our suggestions to the responsible parties, we were cognizant of the fact that we had no police powers and our suggestions were as a result of our investigations and were carefully explained at all times.

It has been a very interesting year for all of us. The only disturbing instance was in regard to the so-called Stadium investigation. We were not entitled to the excessive criticism thrown at us from newspapers, some Supervisors, and the Mayor. We were only doing what we know was our duty. We were looking for facts, and that was all. As a Jury of the people, we felt the people of San Francisco were entitled to know a lot of the facts. Curiously enough, we found very few people who did know these facts, and the Jury's report will explain this.

During this investigation, it was suggested that we have open meetings. We would not have been concerned about open meetings at all, but under Section 903 of the Penal Code, all testimony given in privacy must be kept secret. This, as you know, is a protection for all.

The attitude of the Jury at all times was very constructive, and they all believed and still believe that the City and County of San Francisco is entitled to outstanding leadership. We feel that this leadership would give meaning to the expression we like to use about the City itself, and that is, that it is the "City that knows how."

One of the things that the Jury was concerned about was the attitude of many people in and out of government, about the Grand Jury. I think more publicity should be given as to what the Grand Jury means to the County. It is needless for me to go into the



history of the Grand Jury, because it is well known that it started in England hundreds of years ago and it is in the Bill of Rights of our Constitution that the people are entitled to a Grand Jury. A Grand Jury can be of great value, but it should not be coerced--it should not be "picked on"--and it should not be classified as a nuisance. These men and women of the Grand Jury give their time at a great sacrifice during an entire year, and if perchance anyone thinks they get well paid, may I say that \$5.15 for each meeting does not go very far. I want to reiterate that the Grand Jury is a Jury of the People. We are part of the Superior Court, taking advice, of course, at times, from the District Attorney and from you, the Presiding Judge.

We had many letters from people who expressed themselves vigorously, and in these letters they voiced their appreciation in regard to the fine work done by the Grand Jury and they expressed the opinion that if Grand Juries are not appreciated and respected then they should be abolished.

One of the things I was greatly concerned about in regard to looking over the City and County government agencies was the fact that I found a lack of esprit de corps among some of the employees. On all sides I heard criticism of what they called the "top brass." They seemed to feel that they are like orphans in a storm. I think good personnel relationships should and can be established. The City is nothing more or less than big business, and big business today considers one of its main responsibilities and opportunities to keep the morale of the employees in their organization high, and do everything reasonable for them. Bear in mind that the morale of an organization is generally the result of the thinking of the top echelon. Loyalty starts from the top and not from the bottom. The employees of the City and County of San Francisco today need good leadership. This leadership should be interested in the employees, help to motivate them, and should consider them more than just cogs in a wheel, because people who are properly motivated and interested and have a fine mental attitude will always be good workers. People who enjoy their work and who are interested, do not work only for money. They have a pride of accomplishment and achievement that is personal. This Grand Jury thinks a survey of the employees of our entire City and County of San Francisco, in regard to employee relations, should be very revealing. It is the little things that help employee relationships. It must always be remembered that we must treat people as human beings. They have a heart and a soul. They are deserving of the finest that can be given. Gardens of friendship, joy and understanding are better than gardens that grow in parks. Shakespeare expressed it in a very fine way when he said, "A smile recures the wounding of a frown."

Again, may I say on behalf of the members of the Grand Jury, we are all appreciative and have greatly benefitted as a result of our work this year. We know that we are enriched as a result of our experience, and trust that we have been of some value.

In closing, I should like to give you the feeling of this Jury and quote the words of the immortal Abraham Lincoln. "With malice toward none, with charity for all, with firmness in the right as God gives us to see the right - let us strive on to finish the work we are in."

Respectfully submitted,
HENRY E. NORTH
Foreman, 1958 Grand Jury of the
City and County of San Francisco

1958 GRAND JURY STADIUM REPORT

DID THE CITY MAKE A GOOD DEAL?

The subject of this report is one that has been asked frequently of the Grand Jury by citizens and taxpayers, concerning the Stadium transaction.

Since final contracts were signed in July of this year, the Grand Jury has been making a sincere effort to get the right answer for the people of San Francisco. We are sure that our findings will be interesting and revealing to those who are concerned with the economic welfare of San Francisco.

Under the captions as they appear in the early part of this report we shall brief the significant features of our investigation. We shall start with:

LAND ACQUISITION

The City erred in its failure to use the power of eminent domain at the proper time for the purchase of the land for the "Recreation Center."

The City paid \$2,700,000 for the land. Independent appraisals indicate the City paid some \$650,000 to over \$1,000,000, or 32% and 40% respectively, more than fair market value.

Assessed valuations do not bear out value of purchase price.

FINANCING

Method of financing very costly to citizens of San Francisco, as 5% revenue bonds were issued instead of General Obligation bonds paying substantially less.

Using the financing plan which was adopted, the City had the right to insist on competitive bidding for fill, grading, paving and for stadium construction and should have exercised this right.

Treasury ruling regarding financing and contract is interesting.

COSTS

Use of non-profit corporation allowed the City to by-pass charter provisions requiring competitive bids.

Voters authorized \$5,000,000 for land and stadium; present estimated costs may exceed \$15,000,000.

CONTRACTS

City erred in not negotiating to secure a share of TV rights, as income from stadium as now financed may not be adequate for debt service (TV rights alone to yield more than \$600,000 annually to Giants) per testimony.

DEALS INVOLVING MILLIONS OF DOLLARS OF TAXPAYERS' MONEY SHOULD NOT BE RUSHED.

MAINTENANCE

Parking lot on filled land will require repairing and new fill at heavy City cost, due to subsidence.

SITE

New transportation and new access roads and facilities required. New bus lines must be inaugurated - more roads and overpasses may have to be constructed at expense of City of San Francisco.

STADIUM, INC.

Testimony indicates that Stadium, Inc. has had no voice in this project except to handle the incoming and outgoing funds.

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LAND ACQUISITION

With respect to Land Acquisition, it has been made very clear to the Grand Jury that the failure of the City to use the power of eminent domain at the time the Candlestick Point site was first decided on in 1956 was definitely instrumental in allowing values to rise materially. Had eminent domain been used, the City would have purchased approximately 41 acres at what was at that time the fair market value. There is no doubt but that the then market value would have been many hundreds of thousands less than the value on October 1, 1957 as established by the two independent appraisers. As revealed here, these appraisals were many hundreds of thousands less than the \$2,700,000 which Harney was paid for the property.

We doubt if the people of San Francisco realize that the City paid approximately \$66,000 per acre for the Harney land, part of which was under water.

To give an idea of the significance of the very high total figure of \$2,700,000, we wish to point out that Mr. Harney acquired a large parcel of land, consisting of 65 acres, with a rock quarry on it, in July 1953 for a cost of approximately \$2,100 per acre. A portion of these 65 acres is now a part of the Stadium site.

We feel that we would be generous in considering that the value of these 65 acres had doubled since 1953, but we shall triple the purchase price of \$2,100 and use a figure of \$6,300. Even at this very high average price it represents only about 10% of the price per acre which Harney was paid for the 41 acres.

In March of this year when the Victor Swanson case was before the Grand Jury it was brought out that the City sold excess property, which in the opinion of the Jury was choice industrial land that required less depth of fill and was more accessible, for less than \$4,000 per acre. While it is the considered judgment of the Jury that the City should have received far more for this land, we fail to comprehend the thinking of City officials who would sell good industrial land for \$4,000 per acre and, within a short time, turn around and buy good industrial land for \$66,000 per acre.

Another feature that has us confused is how the City could justify paying \$2,700,000 for the 41 acres when, by checking City records it could be found that the assessor assessed this land in 1956 for only \$26,730.

It has been said that the use of eminent domain would have resulted in considerable delay in acquiring the property. We do not subscribe to this thinking, as only one owner was involved in Harney's portion of the property; thus the matter should easily have been expedited through the Court.

As evidence of fast acquisition, the City was able to acquire five acres of land, from several owners, within a short period of time by threatening the use of eminent domain.

The total land involved in this project is approximately 77 acres. Of this total about 41 acres were acquired from Chas. L. Harney and Chas. L. Harney, Inc., 5 acres were those purchased by the City from several individuals and approximately 31 acres were City-owned, consisting of dedicated streets, railroad right-of-way and pest house.

On the basis of the \$66,000 paid Harney, and assuming the 31 acres were of average comparable quality, the City land has a value of \$2,046,000. This would be as excessive an evaluation as is, in our opinion, the \$2,700,000 for the Harney property.

FINANCING

Entirely aside from the excessive price paid for the land purchased from Mr. Harney, the Grand Jury is of the opinion that the method of financing used is open to criticism on the grounds of high cost to taxpayers and lack of ordinary control over the use of funds, particularly the lack of competitive bidding, as mentioned later in this report. Summarized below are the sources of funds allocated to acquire the property, construct the Stadium, and provide access roads, sewers, water mains, etc.

(1)	1954 Recreation Center bonds	\$ 5,000,000
(2)	Prior Lien Revenue bonds sold to insurance companies	2,000,000
(3)	Subordinated Revenue bonds issued in exchange for land and services	3,500,000
(4)	1947 Street Improvement bonds	1,420,000
(5)	State gasoline taxes (portion of City's share credited to Special Road Improvement Fund)	1,240,000
(6)	1944, 1948 and 1954 Sewer bonds	1,500,000
(7)	Revenues of the San Francisco Water Department (for water mains)	170,000
(8)	General funds of the City used to acquire property from owners other than Chas. L. Harney, Inc.	<u>32,700</u>
	Total allocated to Stadium project to date	\$14,862,700

The above figures do not take into consideration the value of land owned by the City. Also it is probable that the money appropriated for access roads, sewers and water mains will not be sufficient, so that the total cost could easily exceed \$15,000,000.

The \$5,000,000 Recreation Center bonds voted in 1954 were obviously inadequate for the purpose of buying land and building a Stadium. In this connection, one high authority of Stadium, Inc. testified, "--- how they picked out \$5,000,000, to say that they could build a Stadium of the seating capacity that they had in mind, and acquire land and parking area, and all the things that go with it. Probably it was done in a hasty moment, to say 'Well, that's a guess for the time being of what maybe could be produced for a house for these Giants to play in'. Well, when they get into it, of course, they found that that was ridiculous, that it just couldn't be met."

To arrange for additional financing, a non-profit corporation was formed, and San Francisco Stadium, Inc. was chartered in September, 1957, and its original officers and directors were Chas. L. Harney and two of his employees, C. J. Carroll and a Joseph Silvestri. It was illogical for Stadium, Inc., with its directorate of Harney men, to act for the City and County of San Francisco, and,

at the same time, have Harney, the contractor, selling land to the City and constructing a stadium, so on February 28, 1958, it was decided to substitute other officials, and three prominent and influential men were asked to serve as officers and directors. The men who thus lent their names and prestige in the City's interest were: Alan K. Browne; W. P. Fuller Brawner, and Frederic P. Whitman. Since all details regarding the purchase of land and construction of the Stadium, including certification of disbursements, were and are under the control of the City, Stadium, Inc. and its officers and directors had no responsibility of any kind whatever except for matters incident to the two bond issues totaling \$5,500,000 and the execution of purchase agreements and construction contracts. The officers and directors receive no fees, dividends or other remuneration for their services either from the City or from San Francisco Stadium, Inc., all the stock of which is beneficially owned by the City and County of San Francisco. The non-profit corporation is in a very literal sense the alter ego of the City.

The Grand Jury believes that the non-profit corporation is a useful financial device when limited to the same purposes and the same financial and other safeguards as are the City's own projects. But because such corporations are specifically formed to do what the City lacks the authority to do there is a greater danger of high costs being incurred. We respectfully point out that the mere fact that a garage, a Stadium or any other project is able to pay off one-third of its cost from revenues in 35 years should not be the sole measure of its worth, and should not cause the City to disregard such basically sound practices as the obtaining of bids from more than one contractor. In the case of a project such as the Stadium we submit that the objective should be to acquire the land at a fair market value, to finance the project at the lowest cost and, through competitive bidding, build a stadium for the lowest cost, thus producing income for the City at the earliest possible date.

The \$5,500,000 of bonds issued by San Francisco Stadium, Inc. listed as (2) and (3) above, bear interest at five percent. Estimated total interest cost for the 30- and 35-year periods the bonds are expected to be outstanding will amount to \$6,112,000, or \$1,111,000 for each \$1,000,000 of bonds issued. These figures are cited only to indicate the obvious, but easily overlooked, fact that for every dollar saved in cost of land or cost of construction more than a dollar would be saved in interest. Had City bond issues been used instead of bonds issued by the non-profit corporation, a very considerable saving of interest would have resulted.

To illustrate this saving, the \$5,000,000 of 1954 Recreation Center bonds which mature serially from 1959 to 1973, and which are referred to in (1) above, bear interest at the rate of $2\frac{1}{2}$ and $2\frac{1}{4}$ percent., depending on maturity dates. The average rate of interest is 2.41 percent., and the net interest cost will be \$962,538. The bonds were sold on April 14, 1958, at par plus a premium of \$4,187.00

If the City could sell \$5,000,000 of bonds at a net interest cost of \$962,538, it follows that it could probably have sold another \$5,500,000 of the same issue, at the same time, at a net interest cost of close to \$1,058,792. Therefore, if the City had used its own credit to provide the additional \$5,500,000, a saving in interest of more than \$5,000,000 would have resulted (i.e., the difference between \$1,058,792 and \$6,112,000.). This saving is partly due to lower rate of interest and partly to paying interest over a shorter period of time.

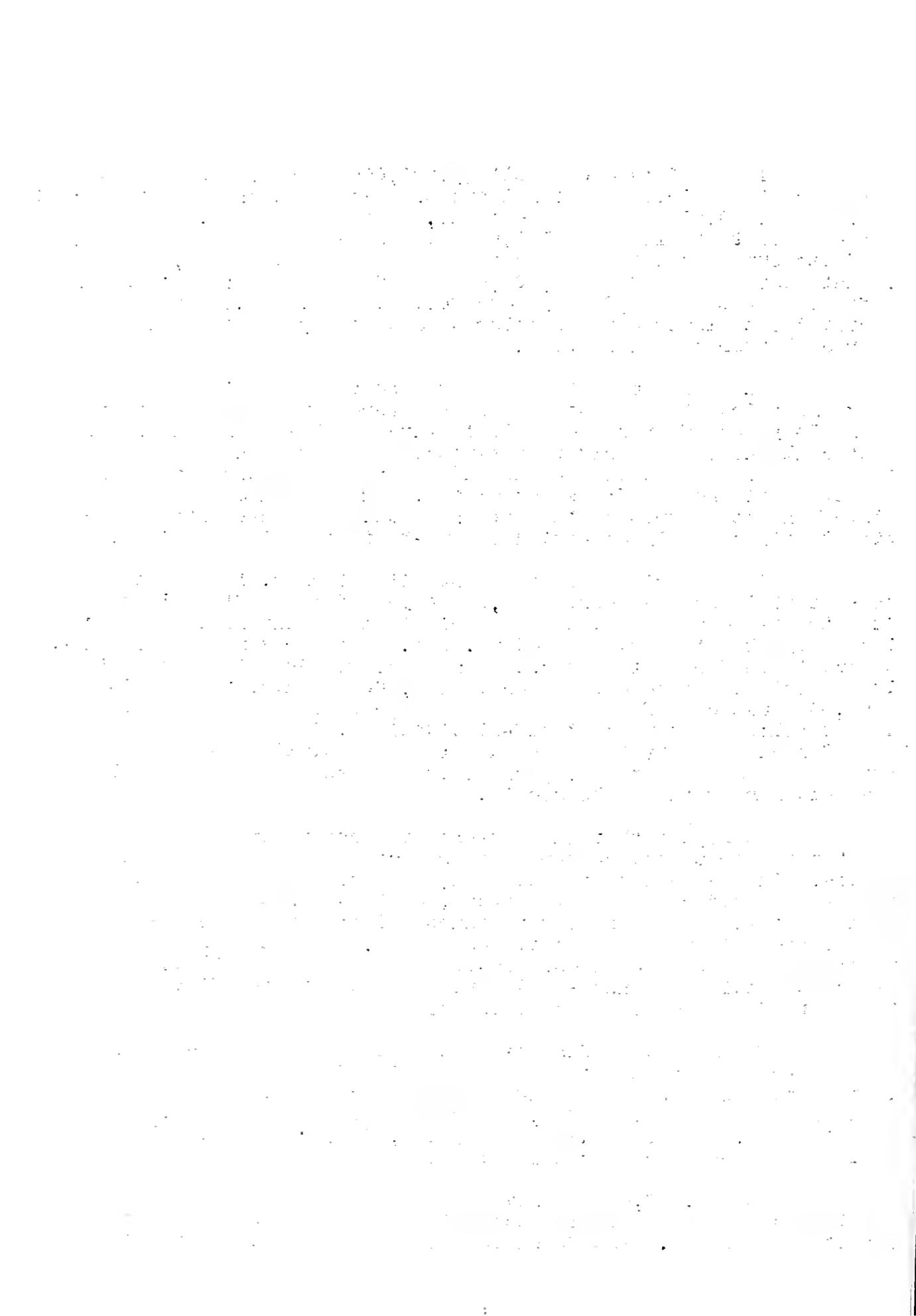
The Stadium is in no sense a self-liquidating project, as only one-third of its cost will be recovered from revenues in the first 34 years of operation. It is very unlikely that the entire cost could have been privately financed or that even the cost exclusive of sewers, access roads and water mains could have been privately financed. It is not clear to this Grand Jury what possible benefit accrues to the City from using a non-profit corporation to finance only one-third or one-half of a given project.

To emphasize the foregoing with figures, it is estimated that it will require about \$990,000 a year for the first 15 years just to take care of payments of principal and interest on bonds issued by the City and by Stadium, Inc. Since revenues expected to be available for debt service, from parking, advertising and stadium rental will take care of only \$350,000 of this, the remaining \$640,000 must come from taxes or other general city revenues. We do not believe the words "self-liquidating", "self-supporting", "paid for directly by those who use them" or similar phrases can properly be applied to any project that is so very clearly not being paid for by those who use it.

We repeat that the non-profit corporation when used as a substitute for taxpayer-supported projects, is a useful financial device. In the case of the Stadium, however, no load was lifted from the shoulders of the taxpayers, as two-thirds of the cost was borne by taxes or other city revenues and the other one-third, if it had been financed by a city bond issue, would not have required an increase in tax revenues, because the \$375,000 or \$400,000 of expected Stadium revenue would have been paid to the City to offset the cost of servicing the bond issue.

The method of financing cannot, in our opinion, be justified on grounds of expediency. Admitting for the sake of argument that hasty and poor estimating caused the original 1954 bond issue to be set at only \$5,000,000, there were times thereafter, especially in 1957, when an additional \$5,000,000 (or \$5,500,000) issue could have been placed on the ballot,

The \$5,500,000 of five percent bonds were issued under provisions permitting their redemption prior to maturity if certain conditions are met. The Grand Jury suggests that the City explore



the matter of obtaining the approval of the voters to a bond issue for the purpose of retiring the bonds issued by Stadium, Inc. Certain of the bonds are callable in 1963 and the remainder in 1970, so that any large scale redemption before 1970, and especially before 1963, may require the consent of the bond-holders. As pointed out elsewhere in this report, a bond issue for this purpose would not result in any burden to the taxpayers, but would instead result in a saving because the stadium revenue would all go to the City and would in effect provide for payments of principal and interest on the new bonds as well as bringing actual income to the City many years earlier than is now possible, if the income realized should be as estimated.

Legal and financial matters relating to financing of the Stadium were handled by well-known and highly reputable individuals, firms and banks, which were engaged on a purely business basis to perform work common to any private project of this type. To avoid any possible misunderstanding the Grand Jury wishes to make it clear that there is no criticism implied as to any such individual, firm or bank while acting as an advisor, consultant or trustee.

Treasury Ruling re Financing and Contract

Testimony received from City officials and witnesses appears to be in conflict with Treasury ruling under which the Mayor negotiated a tentative arrangement with the National Exhibition Co.

The Treasury ruling states the Board of Supervisors determined that the best available site for the proposed Recreation Center within the city was at Bay View Park. However, nowhere in testimony before the Grand Jury was it stated that the Supervisors had decided Bay View Park was the best site.

The Treasury ruling letter states that the \$2,700,000 paid for Harney land in subordinated revenue bonds would not be in excess of the appraised value of said land as determined by the City.

Independent appraisers hired by Grand Jury and acceptable to the presiding Superior Court Judge, indicated that the City paid from \$650,000 to \$1,000,000 more than the fair market value as of September 28, 1957 when Stadium, Inc. was formed.

The Treasury ruling of July 25, 1958, states that San Francisco Stadium, Inc. will enter into an agreement with the Recreation and Park Commission of the City to lease the Recreation Center to the City subject to the terms of the Stadium lease.

The City, through its Park and Recreation Commission, agrees to pay annual rental to San Francisco Stadium, Inc. of all amounts derived from income from the Recreation Center until the annual rental received by San Francisco Stadium, Inc. under the Stadium lease and under the Park lease equals the total of \$375,000 per year plus any additional amounts required by San Francisco Stadium, Inc. under the terms of the trust indenture.

Any excess revenues will either be applied to earlier retirement of the bonds of San Francisco Stadium, Inc. or will be retained by the City for its own use and benefit.

Nowhere in testimony received were we given to understand that San Francisco Stadium, Inc. might require more than the \$375,000 for debt service. Neither did the testimony indicate that the City would have to pay this, nor that if revenue did not equal this figure would we have an obligation to pay this debt service from general funds.

Two of the Grand Jury feel that in the event there should be excess revenues that it should be mandatory that such excess be applied to the retirement of the bonds. Obviously, as they are high interest bearing bonds it would be to our distinct advantage to retire them as soon as possible.

Treasury ruling states that the City and County of San Francisco has appropriated, and will expend from its own funds, additional sums aggregating approximately \$4,000,000 for the construction of access roads to the recreation center and for sewage, drainage, water supply, utilities and street improvement. The Grand Jury has failed to find where such money was appropriated specifically and authorized by the citizens of San Francisco to be used as outlined in the Treasury letter. In order to comply with this agreement with the Treasury Department the City will have to use funds that were originally intended for other purposes.

COSTS

In order that the readers of this report may have a greater appreciation of the tremendous costs that are involved in this project we will attach a copy of "Financing of Project Costs," issued by Stadium, Inc., as Exhibit A.

(See next page)



SAN FRANCISCO STADIUM, INC.
FINANCING OF PROJECT COSTS

EXPENSES

1 RESOURCES AVAILABLE

Proceeds from sale of "City & County 1954 Recreation Center Bonds (Cash) . . . \$ 5,000,000
 Proceeds from sale of "San Francisco Stadium, Inc., Prior Lien Rev Bonds" (Cash) 2,000,000
 Issuance of "SF Stadium, Inc., Subordinated Revenue Bonds" (Non-cash) 3,500,000

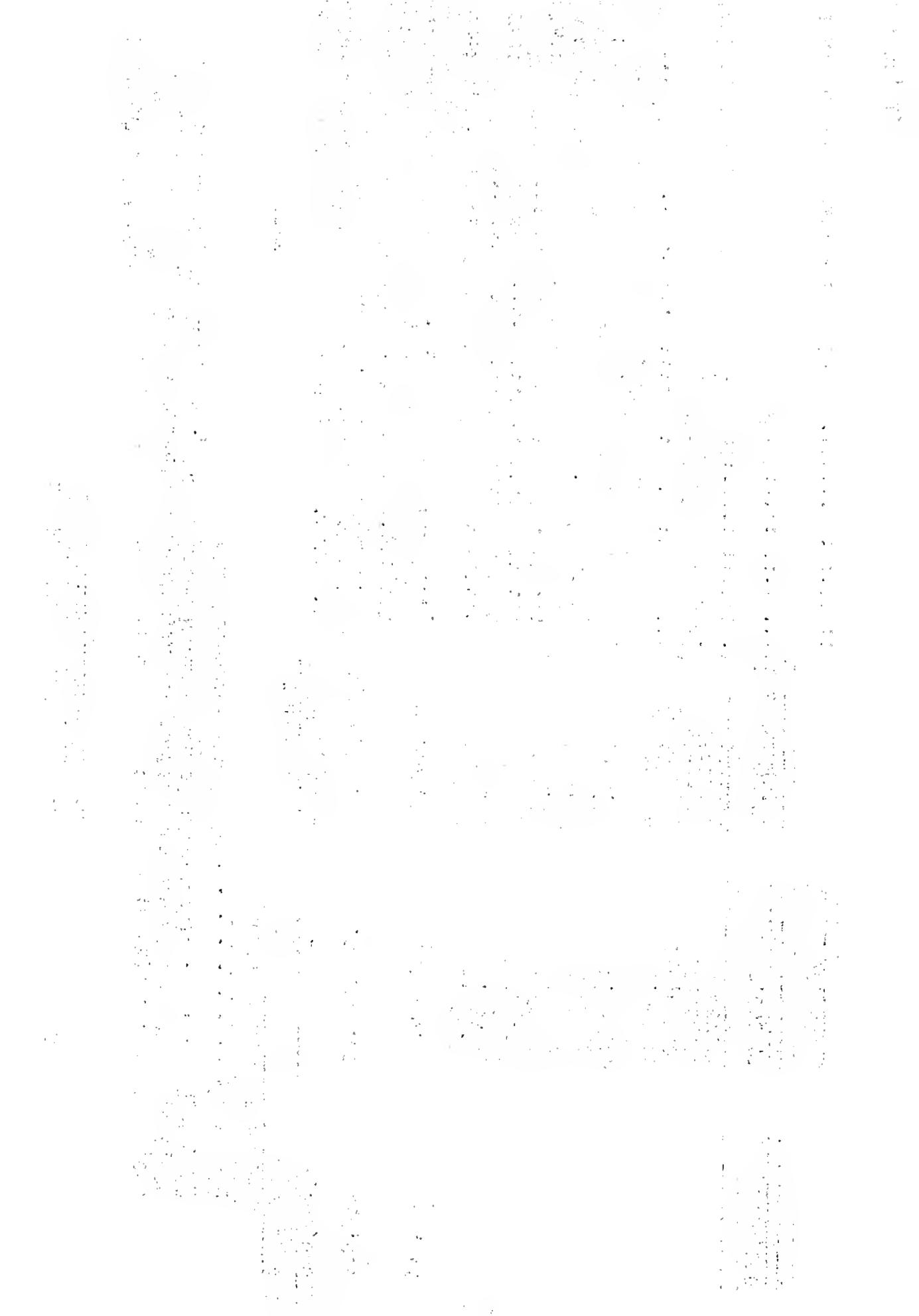
Item

Application of Resources

	Total Cost	Cash	Subordinated Rev Bonds
Land (Chas L. Harney & chas L. Harney, Inc.)	\$ 2,700,000.00	\$ -	\$ 2,700,000
Filling & Grading (C.L. Harney, Inc.)	7,046,000.00	6,388,000.00	658,000
Parking area paving & lighting (C.L. Harney, Inc.)			
Stadium construction (Chas L. Harney, Inc.)			
Engineering & Architecture, incl plans & specifications - (John S. Bolles & E. Elmore Hutchinson)	353,000.00	211,000.00	142,000
Legal fees -			
Orrick, Dahlquist, Harrington & Sutcliffe	40,000.00	40,000.00	
Expenses	4,483.19	4,483.19	
Kell and Connolly	10,000.00	10,000.00	
Expenses	353.70	353.70	
Printing Costs of Indenture, Temp Bonds (Parker Pr. Co.)	2,296.32	2,296.32	
Financial Consultants Fee (Blyth & Co., Inc.)	40,000.00	40,000.00	
Trustee's Fee (Bank of America, NT&SA) - (Estimated)	3,000.00	3,000.00	
ATA Lenders form of Title Ins (Cal Pacific Title Co.)	4,000.00	4,000.00	
Fund Establishment (By Trustee) - Prior Lien Int during construction	100,000.00	100,000.00	
- Prior Lien Bond Res.	150,000.00	150,000.00	
- Working Capital Fund	10,000.00	10,000.00	
Final bond printing costs (Estimated)	4,497.50	4,497.50	
TOTAL	\$ 10,467,630.71	\$ 6,967,630.71	\$ 3,500,000

Balance of uncommitted resources.....

July 30, 1958



You are reminded that in addition to the \$10,467,630 costs, specified in the Exhibit, there will be expended an additional four to five million for streets, sewers, etc. We are not informed of the street and sewer projects that will have to be deferred until funds from other sources or another bond issue will make it possible to do the work originally intended.

It appears evident that some members of the Board of Supervisors were apprehensive regarding the costs for, at a meeting of the Finance Committee, held on March 19, 1958, it was reported:

"Upon assurance that all of the above matters would be cleared up, the measure was recommended 'DO PASS,' by unanimous vote of the three members of the Finance Committee, but only after each member of the Committee made a lengthy statement indicating that even though major league baseball would undoubtedly be good for San Francisco, they were not happy with the expensive cost which has built up far beyond \$5,000,000 which the voters had approved for a major league stadium in 1954."

CONTRACTS

Television Rights

History may show that one of the most costly mistakes made by the City was the failure of our contract negotiators to insist upon participation in the highly remunerative TV rights. The National Exhibition Company has guaranteed to pay a total rental for the stadium of \$125,000 per year, whereas the debt service is \$375,000. To make up this difference between \$125,000 and \$375,000, we must rely mainly on parking revenue. In order to reach the \$200,000 to \$225,000 net revenue hoped for from parking, the City estimates that a paid attendance of 900,000 per year will be necessary. We can readily see what would happen to our attendance if pay TV is instituted. Mr. Stoneham, under direct questioning by the Grand Jury, stated that the Giants expect to net more than \$600,000 from Skiatron. The Grand Jury has attempted to find out what has happened to attendance in other parts of the country where baseball and other sports have been televised, and the information we have been able to gather has been alarming.

In the last two years, 25 minor league baseball clubs - a principal training ground for the majors - have folded according to the November 1958 issue of "Reader's Digest." The article goes on to say that, while the Braves were in Boston, TV helped pull attendance down from 944,391 in 1950 to 281,278 in 1952. When the Braves moved to Milwaukee and banned telecasts, attendance soared to more than 2 million. Other clubs have had similar experience, with the result that telecasting of home games has been blacked out completely by six of the major league clubs and been severely limited by six others.

Further confirmation of TV's influence on attendance is indicated in an article appearing in the December 15, 1958 issue of "Sports Illustrated." This article pointed out that, despite the withdrawal of the Brooklyn Dodgers and the New York Giants, which left the entire Metropolitan New York "market" open to the Yankees, their attendance fell off 70,000 this year. The article stated that three major league teams televised their games in New York this year. George Weiss, Yankee General Manager, threatened to televise all their games next year and the three major league teams were influenced against televising in New York next season. The article closes with the statement, "The Yanks now have New York just where they want it--in the bag." Surely this article indicates that the falling off of attendance had been influenced by television.

In an interview appearing in the December 20 issue of one of the San Francisco papers, Tallulah Bankhead, the theater's champion rooter for the Giants, holds herself partly responsible

for the Giants leaving the Polo Grounds. She said, "Like a lot of other people, I got to relying on radio and television and didn't go to the ball park as often as I should have. The crowds fell off and so New York lost its ball team."

This Grand Jury does not share the opinion of those who feel that paid television will not adversely affect attendance. Certainly, television has affected attendance at all other professional sports tremendously, and we are convinced that the same will be true in connection with the Giants' games. If fans can have TV for a small sum, many of them, in our opinion, will stay at home quite frequently instead of fighting the traffic, contending with occasional adverse weather conditions and paying the expense of traveling and the admission price. To what extent this will affect parking lot income we have no way of knowing, but we believe it may be substantial.

The Grand Jury is of the opinion that, if it is at all possible to renegotiate this portion of the contract, it should be done and, if that is not possible, something should be done about blacking out TV within a 200-mile radius so that injury to attendance will be minimized.

Rushing into Contracts

The haste or eagerness to enter into a contract with National Exhibition Company must have made it evident to Mr. Stoneham that there was great fear of losing the Giants to some other city. This possibly resulted in a less attractive contract than otherwise would have been obtained. We have, however, sufficient confidence in the attractiveness of San Francisco as a major center of sport enthusiasts to believe that it would have been difficult to keep Mr. Stoneham away from our City. Had this been fully realized, more time would have been available and a better contract successfully negotiated.

MAINTENANCE

Made or filled land is subject to considerable subsidence. A report prepared by the firm of Dames and Moore, experts in the field of soil mechanics, predicts a settlement of some three feet before fills are well compacted. The fill for the Candlestick section of the Bayshore freeway was placed under rigid specifications and probably will not have as great a subsidence. However, the section of road near the International Airport is an example of how a fill will settle. In this case, the road is only about 50 feet wide so settlement does not present the drainage problem that will be encountered with a parking lot of many acres, such as



at the stadium.

The cost of maintenance, other than routine, must of necessity be borne by the City. It can readily be expected that additional fill will be required to keep the area fairly level. Paving will be required where the fill is brought back to grade. Lighting standards, unless supported on piles, may require frequent resetting. Also, the drainage system can be a constant source of trouble in filled ground as will be the fire system, if any is to be provided in the parking area.

The estimated parking revenue is \$225,000. With only 77 days of assured use, \$2,900 per game must be collected. Therefore, the cost of operation, lighting, cleaning and maintenance (keeping the area to grade, paving, painting lines, repairing guard rails, fencing, light and sign posts, etc.) must be supported by money collected in addition to the above.

To successfully handle the traffic and transportation to this stadium, new bus lines will be required. This will mean a greater investment in Municipal Railway equipment that now operates at a loss and requires a tax subsidy.

The use of the parking lot will be contingent upon the ease with which one can reach and leave the area without being embroiled in a traffic snarl. It is the 1958 Grand Jury's opinion that more means of ingress and egress must be provided. Thus, the City may be faced with the cost of constructing new streets and probably some overpasses to prevent an intolerable traffic snarl, especially for the afternoon games played on normal work days.



SITE

In examining the witnesses regarding the stadium site, it seemed that the reasons given for the choice of the site were rather vague. No one witness could definitely state who it was that decided this was the best location. Testimony and information received by the Grand Jury indicated that Mr. Harney had assumed this was to be the site long before it was publicly announced.

Further evidence that the site long had been decided upon was indicated in a "Letter of Intent," written to Mr. Stoneham by the Mayor, on August 6, 1957. In it he said, "...the site now under consideration, namely Bayview Park, ..." The Mayor also said, "I desire to point out that conferences have taken place between the City and the owner of the property contiguous to City-owned property at the proposed site of the stadium."

A further indication of the complete understanding between Harney and certain City officials, concerning the site, is the fact that Harney had started work and had already been paid \$500,000 by Stadium, Inc., upon authorization of the office of City Controller, prior to the execution of the instruments. (Tr. 3-41)

The Grand Jury feels that there were several other locations which might have been given more consideration, and that more publicity should have attended the site selection. Some of these alternate sites would have cost the taxpayers less money, and some might have cost more initially but would have been a greater source of revenue to the City.

It should be remembered that the ball park is expected to draw a lot of people from the Bay Area, as well as from greater distances. It would be reasonable to expect some of the people to stay in neighboring counties while others, after getting on a freeway, would bypass the City of San Francisco entirely. Would it not also be reasonable to expect our neighbors to do likewise?

In the site chosen, parking has been planned for 8,000 cars and 300 buses. The only means of ingress and egress will be one access road, which we have been given to understand will not be sufficient to handle a capacity crowd, so the City of San Francisco can very well be faced with additional expenses for more access roads. If the stadium site had been chosen closer into town, it could possibly have been where the parking could have been in use 365 days of the year rather than the 77 days of ball playing, plus a few days of special events.

Surcly a closer-in location would have far more greatly benefited our merchants, hotels, restaurants, etc. It certainly seems reasonable to expect that if anyone were in town, rather than on the outskirts, they might spend some time and money here. As we are spending San Francisco tax money to obtain the Giants for the Bay Area, is it not reasonable to expect that most of the benefits should rightly innure to San Francisco?

The fact that the Bayview Park site had been, more or less, decided upon for years is indicated in an August 24, 1956 memorandum which was directed to the Mayor by the then Manager of the City's Recreation and Park Department, Mr. Max Funko. We believe that you will find several paragraphs of this memorandum quite significant. A copy of the memorandum was sent to Mr. Fred Parr, then President of the Recreation and Park Commission, on August 27, 1956, with a letter reading:

"You may have seen in the papers last week where Charles L. Harnoy had proposed the construction of a baseball stadium on Bay View Park after certain quarrying operations.

"The Mayor directed that I prepare an immediate report for him on what we know of the proposal, which I am submitting today to him. Copy of the report is attached for your information."

That part of Mr. Funko's memorandum pertaining to the matter of a baseball site is here quoted:

"SUBJECT: Proposed Ball Park at Bay View Park

"Mr. Elmore Hutchison, on behalf of Charles L. Harnoy Company, informally proposed a plan for revising Bay View Park to accommodate the \$5,000,000 baseball stadium authorized by the voters, predicated upon obtaining a big league franchise for San Francisco, at a conference held in Mr. Paul Oppermann's office several weeks ago. Attending the conference were Supervisor Francis McCarty, Mr. Oppermann, Mr. Sherman P. Duckel, Mr. Hutchison, myself, and Mr. George Harman, Supervising Engineer for this department.

"Although the plans, according to Mr. Hutchison, are 'still quite in the formative stages,' the general proposal was as follows:



1. The city-owned park of approximately thirty acres would be quarried to remove 175 to 250 feet off the top, such material to be given to Mr. Harney free of charge and used for the filling in of tidelands in the vicinity for a reclamation project contemplated by Harney and others.

Mr. Hutchison said he did not believe the group should be required to pay for this fill, that removal of same by Harney would constitute a service to the city in accomplishing the entire project.

In this connection, my engineers remind me that fill material is rapidly becoming more valuable, and that in many cases contractors are required to purchase same to accomplish jobs requiring fill.

2. Land adjoining Bay View Park on all sides, most of which is owned by Harney, would be quarried at the same time and all top materials used likewise for fill-in purposes.
3. Upon completion of the quarrying, the boundaries of the park would be expanded to include portions of the privately-owned property, the city to purchase same. Preliminary estimates of the price of the expanded property were \$250,000 to \$290,000.
4. After land transfers had been accomplished and quarrying completed the city would then build a baseball stadium with accompanying parking facilities, landscaping, etc., to house big league baseball primarily, in line with the \$5,000,000 bond issue approved by the voters several years ago. The stadium would be in the form of an excavated bowl.
5. Advantages of this plan, according to Mr. Hutchison, were that the ball park would then be located in a better climatic area, would adequately accommodate parking, and would increase the utility of Bay View Park. The park at the present time is a rather elongated hill-top suitable primarily as a park and not adequate as a recreational facility for organized games such as baseball, etc.

"Mr. Hutchison pointed out the needs of the reclamation project were such as to indicate the importance for speed on this proposal, but he felt it rather inadvisable to push the matter until certain difficulties were ironed out. These included.

1. The inability of the city to spend the \$5,000,000 on the stadium until a big league franchise had been obtained. Supervisor McCarty saw no possibility of this within a period of three to four years.
2. The legal question of whether the city could give away several million yards of fill material from the top of Bay View Park.
3. Inability to determine policy on whether the city would be willing to buy adjoining property after quarrying operations to the park in the amount of \$250,000 to \$350,000.
4. A legal question would exist as to whether the park land (fill) could be given to Mr. Harney or whether it would have to be disposed of by the usual process of competitive bidding."

STADIUM, INC.

Stadium, Inc., was incorporated on September 24, 1957. The original Directors were Charles Harney, Joseph Silvestri and C. J. Carroll. The latter two were in Harney's organization. The financing and planning of the Stadium was all done while Mr. Harney was President of Stadium, Inc. On February 28, 1958, these Directors were replaced by Messrs. Alan Browne, Fuller Brawner and Frederic Whitman.

We were advised that "the new Stadium, Inc., was handed an almost consummated deal. All Stadium, Inc., is, is a facility of the City and County of San Francisco to raise additional money to provide funds to complete a project which was inadequately financed, based on the five million of the City's general bond issue." (Tr. 3-43)

"Stadium, Inc., had nothing to do with the selection of the site or negotiating the various contracts." (Tr. 3-43) We had to accept what had already been negotiated." (Tr. 3-43) "In other words, Stadium, Inc., only operates to the extent of

basically servicing the debt in accord with what would be considered a normal program." (Tr. 3-15)

Stadium, Inc., was asked, "Who entered into the contract to pay the Harnoy Company \$7,046,000 for the construction of the stadium?" The reply was given, "Well, again, Stadium, Inc., only accepted and passed on under the advice of the City. In other words, all the details and all the negotiations were arrived at insofar as Stadium, Inc., was concerned. All we did was to provide the signatures for a corporate entity to permit this work." (Tr. 3-37)

Stadium, Inc., was asked, "Who are the officers of the National Exhibition Company?" The answer was "I wouldn't be able to tell you exactly. I have never seen a financial statement." (Tr. 3-19)

We appreciate that the Giant contract is between National Exhibition and the City. However, as all financing involved in acquiring the site and in the construction of the Stadium, clears through Stadium, Inc., it would seem that they should have been informed of the financial responsibility of the Company from which practically all of the City's income, from this project, will be received.

From the above and from a great deal more confirming testimony, it is evident to the Grand Jury that Stadium, Inc., has had no responsibility concerning the project except to handle the incoming and outgoing funds, which have been previously approved by the Controller. The end result, therefore, of the establishment of this non-profit corporation is that the City could avoid securing the voters' approval of an additional expenditure of approximately ten million, could by-pass the Charter provision with regard to bidding and could and did channel this vast project without competitive bidding, to the contractor of their choice.

COMMENTS

This Grand Jury has not been concerned with the use of non-profit corporations, to build needed public facilities. However, a stadium built principally for 77 days of professional baseball, for which the fans will pay up to \$3.50 per seat, can hardly be classified as a needed public facility.

In discussing the principal of non-profit corporations, it has been stated that in practice the City provides the land and the non-profit corporation provides the facility. In this instance the City purchased most of the land, from the stadium contractor, by using part of the funds voted by the people for a

complete Recreation Center. In addition, the City provides the facility by using some \$4,300,000 of street and sewer bonds and also by issuing bonds to the extent, so far, of \$5,500,000.

There have been some reports recently to the effect that the stadium deal might not represent a profit to Mr. Harney and that, because of unanticipated filling and other increased costs, the deal might even prove a losing venture. In view of his very long profit on the land, the approximately two million he is receiving for filling, paving, etc., the large yardage of fill which he is receiving free from the City and the sizeable margin of profit in the approximately \$5,000,000 he is being paid for stadium construction, it is hardly conceivable that this project will even come close to approaching a red figure.

We remind those interested that for his 41 acres of land and for \$658,000 of his \$7,046,000 stadium construction fee, Mr. Harney will receive tax free Subordinated Revenue bonds. For the life of these bonds, the tax free interest will approximate \$165,000 per year. Assuming that Mr. Harney is in an 8% tax bracket his income, before taxes, would have to approach \$2,000,000 per year. If a 6% interest on capital invested is considered, more than \$20,000,000 would have to be invested to yield return comparable to the stadium land transaction.

In this regard it is interesting to find that the Franchise Tax Commission of the State of California refused to give clearance to this tax exempt feature.

We have no criticism of a man who is sufficiently farsighted to buy land at a very low price and sells to private companies or individuals at a very high price. The company or individual does not have to be influenced to purchase by the selling skill of anyone. However, we believe the situation is far different, in this instance, as the buyer - the citizens of San Francisco - did not have an opportunity to accept or reject the seller's high price land offering, because of the way this project was handled.

CONCLUSIONS

Lateness of Stadium Investigation

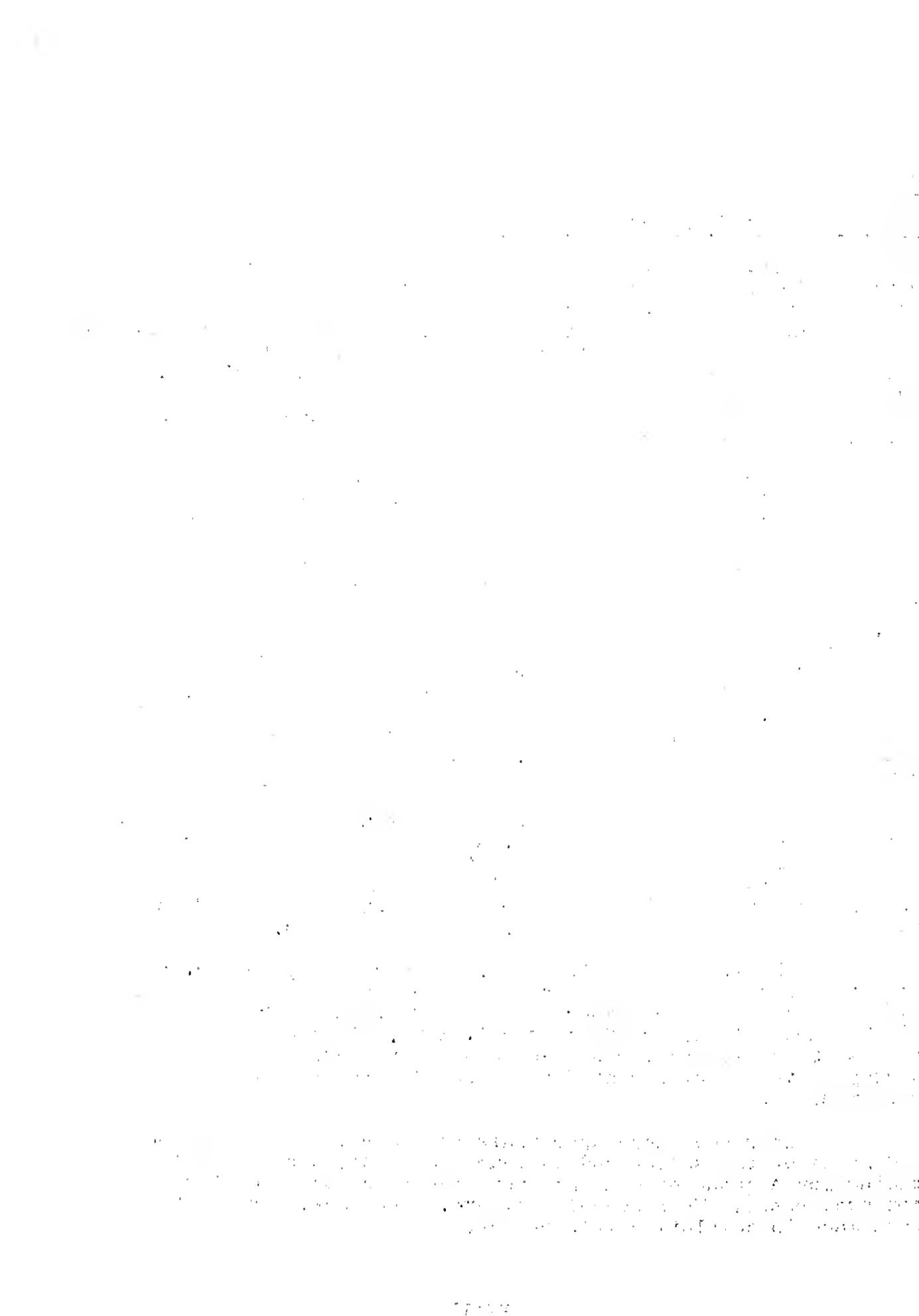
During the last several months derogatory remarks have appeared in the press concerning the lateness of the Grand Jury Stadium investigation. Some people have suggested that the remarks were intended to dissuade the Jury from continuing the investigation, while others thought that in scorning the work of the Jury, its final report would be given little credence by the citizens. Whatever the reason, this Jury has worked hard to bring out the facts as they have been revealed by the testimony of numerous witnesses and by a careful study of many pertinent documents.

There has been considerable talk to the effect that the report of this investigation will not be available until the end of this Jury's year. We should like to point out that since last August the Grand Jury has spent considerable time on this investigation, including meetings on Monday and Thursday evenings. We should also like to remind those interested that, at its meeting on September 25th, the Jury voted to request an appropriation of \$10,000 to finance the retention of appraisers, engineers and others whose assistance would have been most helpful. Approximately one month later, October 20th, the Board of Supervisors gave first reading to a reduced appropriation of \$5,000. On October 22nd, one of the local papers headlined an article, "Mayor may bar Stadium Quiz Funds." On October 27th the Board voted final passage and, shortly thereafter, or about six weeks after the Jury voted to request an appropriation, the Mayor signed.

Then came the securing of competent appraisers. This proved a somewhat difficult task, as all San Francisco members of the American Institute of Real Estate Appraisers with one exception, were "too busy" to accept the assignment. Fortunately we located an appraiser who has had considerable experience in the Candlestick Point district for the government a short time ago.

The M.A.I. appraiser, Mr. Raymond Smith, and Mr. Prakel accepted appointments on October 29, 1958, and on December 10, 1958, submitted their respective opinions with regard to the value of the Harney land, as of October 1, 1957. This date was used because Stadium, Inc., was incorporated on September 28, 1957, and Harney served as president during the time the sale of his land was arranged.

To study these appraisals and to review approximately 600 pages of transcript and various documents, was no little undertaking for a group of men who must give first consideration to their own businesses. We sincerely believe, therefore, that fast time has been made in completing this report.



There have been some who have suggested that this investigation should have been undertaken early in the year. To them we say that if our inquiry had started about the time the new Stadium, Inc., directors took over on February 28th, and continued on a few months until about the time the final documents were executed, in July, there would have been a period of commotion that would have been most disturbing to the City officials and the others who were working on this project. We could add that some of the terms of the contracts might have been different, possibly to the benefit of the people.

From the Jury's standpoint we are pleased that this investigation did not take place during the first half of the year as it might have caused the halt or slowing down of a U. S. Senatorial race. We say sincerely that we would have disliked interfering in any way with the activities of one who aspired to that high office.

The attempt to scorn the Jury's investigation on the basis of the lateness of the effort, fades into nothingness when the story of the last several months is recounted.

The long delay in appropriating investigatory funds did not help our progress. But of more significance, we must state that it was not until late July that the documents completing the deal were executed. Two weeks later, on August 13th, we first discussed the Stadium deal with the Mayor. The investigation has continued since that date. It is obvious, therefore, that our reply to the frequent remarks concerning the lateness of our investigation is an emphatic denial.

Did the City Get a Good Deal?

For months members of the Grand Jury have been asked with some skepticism, "Did the City get a good deal?" Unfortunately, the answer must be, "NO."

As previously stated, Harney was paid \$2,700,000 for approximately 41 acres of the Stadium site. This price was approved by the Director of the City's Real Estate Department. While he was, no doubt, sincere in agreeing to Harney's figure, we believe his ideas of values would have changed very materially had he had the advantage of the counsel of one or two of the outside appraisers who are recognized as authorities on industrial land values.

We had two such authorities working for us, and after weeks of careful and independent study, they reported, as their best judgment, that the fair market value of the Harney land when Stadium, Inc., was formed in September, 1957, was \$2,047,500 and \$1,675,000. As previously indicated, this means that the

\$2,700,000 Harney received for his 41 acres was 32% above the sound value established by one competent appraiser, and 40% above that of the other authority.

If these authorities are right, and we believe the values of both leaned toward the high side, particularly the one who quoted \$2,047,500, Mr. Harney sold his property to the City at from approximately \$650,000 to \$1,000,000 above the fair market value.

We want to add that the appraised value of the land would have been a great deal less had the estimate been based on values a year earlier in 1956 when the decision to incorporate the Harney land in a Recreation Center had fairly well jelled,

One feature of this deal to which the Grand Jury seriously objects is the bypassing of competitive bids by the use of the non-profit corporation plan. The legal right of the City officials to use this plan is unquestioned, but we have some reservation respecting the moral right. We definitely are not inferring that we found anything dishonest about this deal, but because many additional millions were required, after the people were told at election time in November, 1954, that the complete package would cost \$5,000,000, we believe the stockholders of our City, the taxpayers, should have been given the right to decide whether they wanted the Stadium badly enough to assume the added bond burden.

The bond issue which the people voted on November 2, 1954, made it very clear that the \$5,000,000 would cover the complete package. It read:

PROPOSITION B

Recreation Center Bonds, 1954. To incur a bonded indebtedness in the sum of \$5,000,000 for the acquisition, construction and completion of buildings, lands and other works and properties to be used for baseball, football, other sports, dramatic productions and other lawful uses as a recreation center.

There was ample time to permit the taxpayers to decide whether they wanted major league baseball, to the extent of an additional investment of \$10,000,000, as the Mayor and Supervisor McCarty were told by Horace Stoneham during a meeting in New York in April, 1957, that "Any figure other than ten or eleven million dollars shouldn't even be discussed, because there would be no possibility or probability of a Major Club moving to that particular community." (Tr. 2-153)



As a further indication of the ample time angle and, in addition, a statement of the very heavy added cost of the adopted financing procedure, one high authority told the Grand Jury, "I don't know when the City decided it was going to cost more than five million dollars to build the stadium, but -- suppose it was in the middle of the summer of 1957, the City could still have gone to the electors at the November election and said, 'We need another ten million dollars to build the stadium' and it could have been done for a third of the price." (Tr. 1-163)

It is our conviction that where so much additional money is involved, a few City officials should not accept responsibility for the investment of millions unauthorized by the voters, despite their conviction that major league baseball would be a fine thing for San Francisco and its citizens.

For all of the many sound reasons, herein presented, we are thoroughly convinced that,

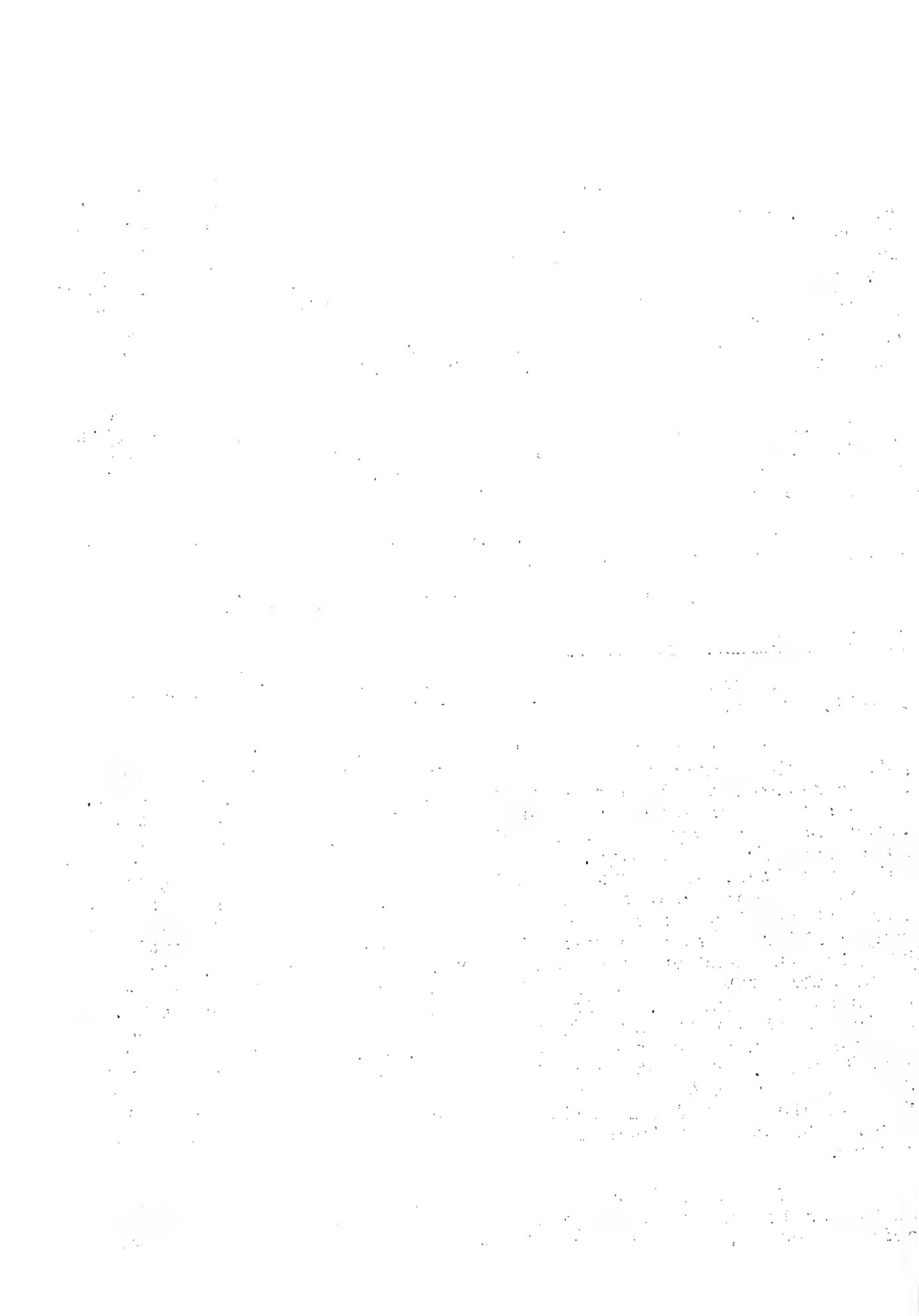
THE CITY DID NOT GET A GOOD DEAL.

Did the City Make a Good Deal?

To the subject of this report, "Did the City make a good deal?", our answer is a positive, "NO."

We believe that the City made a bad deal from the standpoint of the exorbitant price paid for the Harney land. This has been confirmed by the independent appraisers' reports. Recently, through the newspapers, we learned that a prominent appraiser advised the Mayor that the City got a bargain in the land which was purchased for the Stadium. We have not had an opportunity to review this appraisal, but assume that it was based on the land as it will be when the construction job is completed. Our interest was in the value of the land in its original condition and not after a great many millions have been spent in filling the underwater portion, bringing the land up to grade, paving, building streets, etc. It is probably true that the City's appraiser agrees with our appraisers that \$5,000,000 is a fair value for the finished land. Having in mind that \$10,000,000 is being expended on this property, it would seem reasonable to consider \$5,000,000 to be the fair market value. We further believe it is entirely possible that the City made a very bad deal when they contracted to pay \$7,046,000 for building a stadium, filling and grading the high cost land, etc., without the information gained from the customary bid procedure.

We have had no way of securing information that would enable us to come to sound conclusions regarding the various Stadium costs, because, as is generally known, the Mayor and the Finance



Committee of the Board of Supervisors refused to approve funds for any professional investigatory work other than the appraisers.

As to the structure, since it is a requirement of all City projects to call for bids, this Grand Jury deems that the use of Stadium, Inc., the City's alter ego, permitted evasion of this requirement.

Another great mistake was made in allowing the National Exhibition Company to retain full and uncontrolled T.V. rights. In the event of a few bad years, our parking lot income will automatically fall off to a point where we might be in serious trouble with respect to meeting the annual obligations involving the prior lien and subordinating bonds, since the Treasury Department, under date of July 25, 1958, stated, respecting the responsibility of San Francisco, "Hence, the bonds will in effect be issued by the City and County of San Francisco."

Regardless of all of the work already done, the Jury will continue on with this investigation should the Presiding Judge so request.

In addition to our views concerning the very high price paid for the Harney land, you have observed, throughout this report, many features of the Stadium deal which are unsound as well as many which will surprise you, as they did us.

We sincerely believe that only one logical conclusion can be reached by any unprejudiced person --

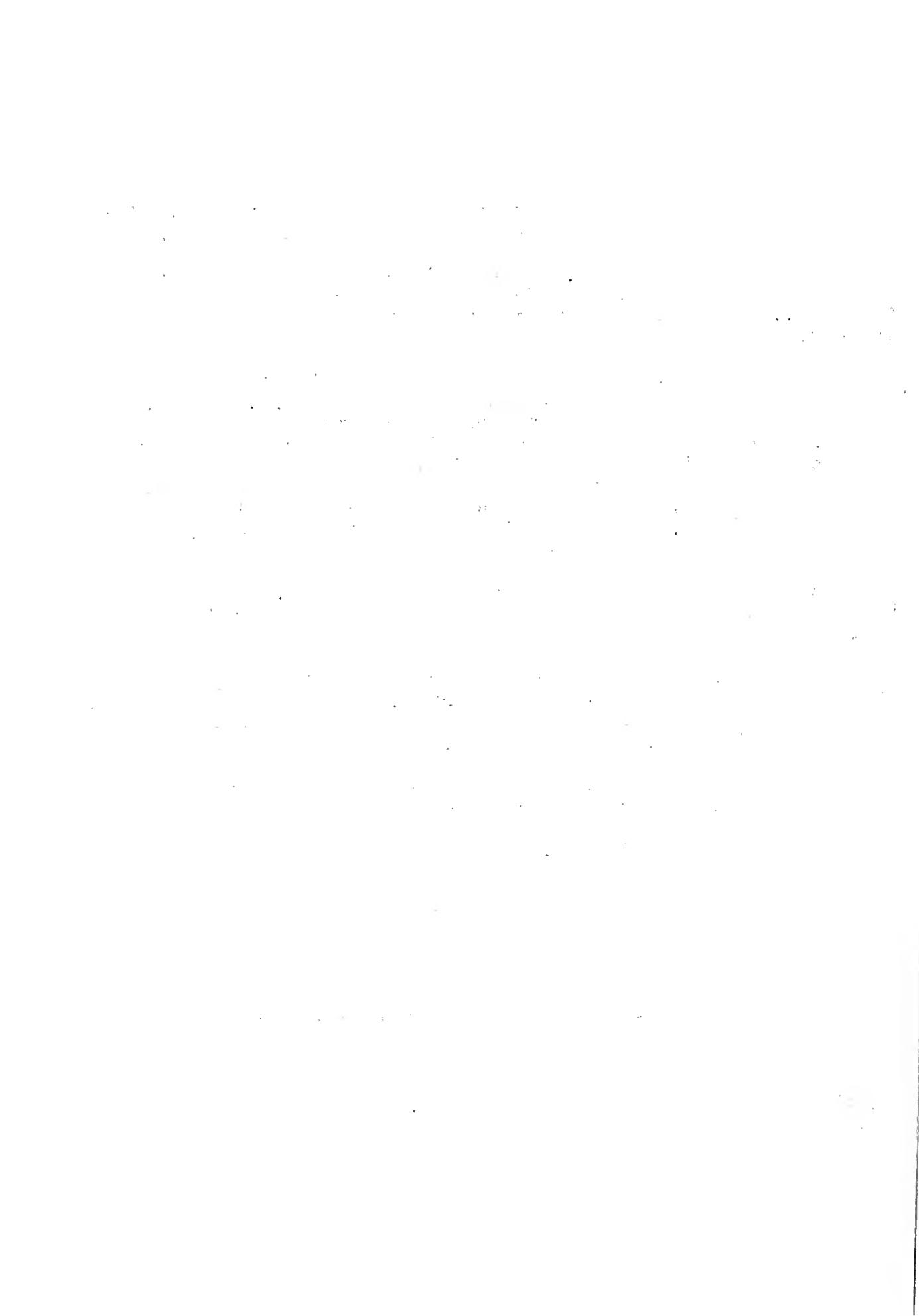
THE CITY MADE A BAD DEAL.

* * * * *

Approved by the Grand Jury December 29, 1958

PAUL A. RYAN
Secretary

HENRY E. NORTH
Foreman



SAN FRANCISCO GIANTS BASEBALL PROJECT

MINORITY REPORT

The undersigned, of the 1958 Grand Jury, respectfully submit the following report on the San Francisco Giants Baseball Project. Any questions which have been submitted for study by the Grand Jury must of necessity, be factual questions and for valid judgment has to confine itself to actual agreements set by the City. The worst thing that any Grand Jury can do is to create a public suspicion and then run away from it. The undersigned does not intend to evade the question as this would be the greatest dis-service the Grand Jury could do to the City and County of San Francisco.

The 1958 Grand Jury of San Francisco took it upon itself, in its capacity as a Grand Jury, to investigate the San Francisco Giants Baseball Project with its correlated agreements between; National Exhibition Company (Giants); San Francisco Stadium, Inc.; Chas. L. Harney, Inc.; Chas. L. Harney and assorted other individual owners of property within the site area.

We could speculate forever but that is not our undertaking. We have been given specific documents and a specified site, our conclusions must be based on these two points. No hypothetical question such as; 'alternate locations' are to be considered.

During the taking of lengthy testimony the following major points were considered and the following is the conclusion of this report on these subjects.

Our over-all question is: Has this Baseball Project been to the best interests of the Citizens of San Francisco? From all factual evidence within our hands we conclude that this is a good project for San Francisco.

Market Value

The Grand Jury retained two real estate appraisers, Mr. Raymond D. Smith and Mr. Fred D. Prakel, to make an appraisal report of the San Francisco Giants Baseball Project. Both appraisers were asked to appraise the property as of October 1957, and then a further appraisal as of the date of completion of the grading, filling, levelling, paving, draining, lighting, bumper guards, striping, compaction of the land. It is the opinion of this report that the "Before" appraisal is purely academic and immaterial and that our only concern should be with the "After" appraisal or the complete package for which the City and County of San Francisco paid \$5,000,000.00. The endorsement of the \$5,000,000.00 check paid to S. F. Stadium, Inc., by the City and County of San Francisco, reads

as follows: "Acquisition of all real property as presently improved i.e., filled and brought to grade within site of the San Francisco Municipal Stadium other than lands now owned by or under option of sale to the City and lands owned by the State of California and sold to City and County of San Francisco but including surrender of lease on said State of California lands together with improvements, filled and brought to grade.

The appraisal of the City Real Estate Department by Mr. Philip Rezos, was \$5,200,000.00. The appraisal of Mr. Smith, representing the Grand Jury, was \$5,830,000.00. The appraisal of Mr. Prakel for the completed package was the sum of \$4,987,500.00.

Into these appraisals more consideration should have been given to the value of the Rock Quarry operated by Chas. L. Harney, Inc., which is the only legally operated Rock Quarry under permit from the City and County of San Francisco. The quarry itself contains approximately five million cubic yards of red rock materials that have been approved by the State of California. This amount of material would net approximately \$100,000.00 per year for anywhere from 15 to 20 years.

We feel that in the "Before" appraisal, that the appraisers neglected to give ample consideration to three additional factors; climate, scarcity of available and suitable sites and assemblage of the package by one contractor and the special use for a Baseball Stadium.

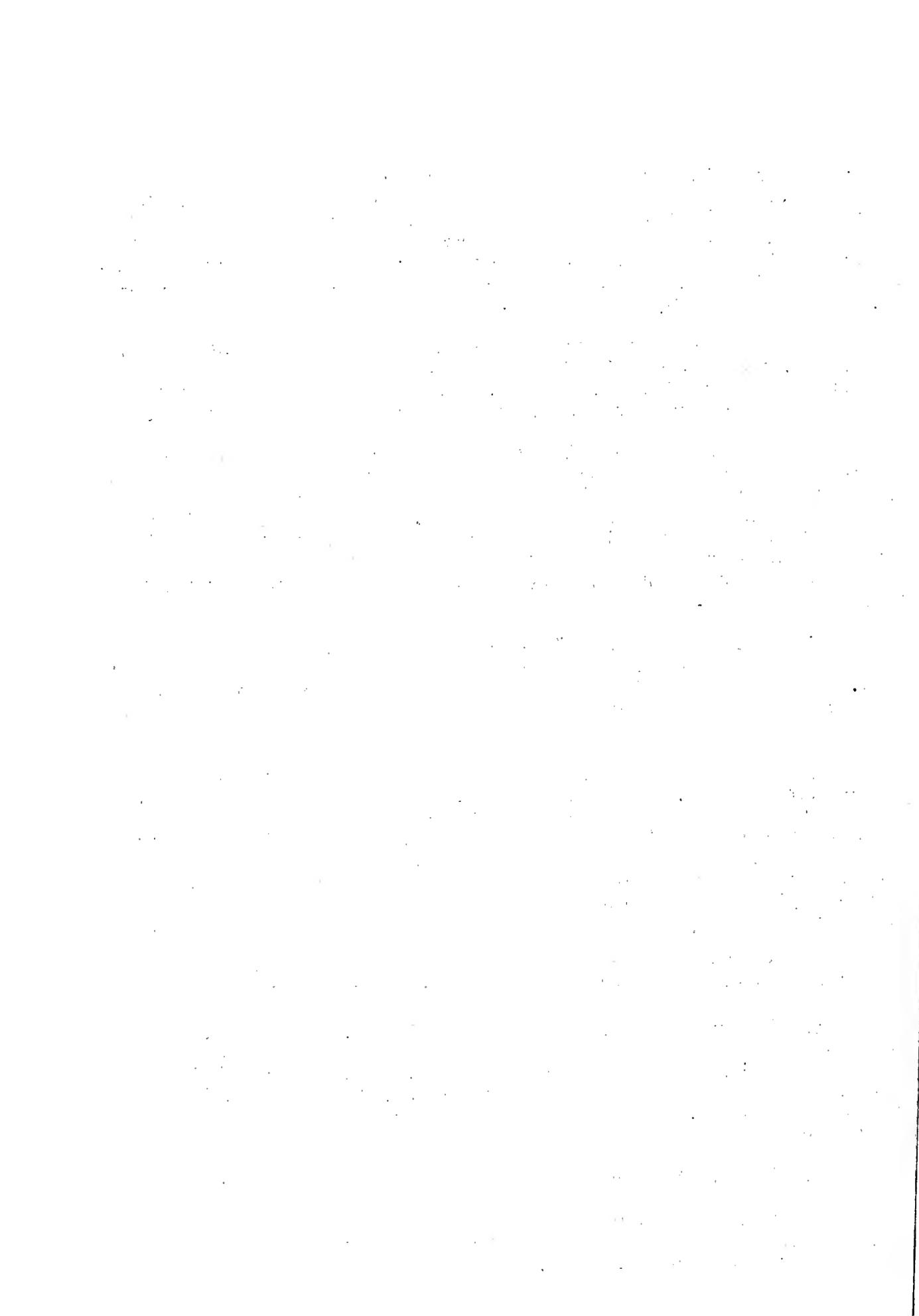
As to Market Value, we feel that both appraisers gave little credit to the special use value. The California Definition of "market value" emanating from the Supreme Court of the State of California states as follows: "Market Value is the highest price estimated in terms of money which the land will bring if exposed for sale in the open market with a reasonable time allowed to find a purchaser buying with knowledge of all the uses and purposes to which it is best adapted and for which it is capable of being used."

In writing this opinion into the Law of the land, the Supreme Court made three valuable contributions to Appraisal Law:

1. "Value results from use. This is, of course, basic economic precept. Real estate would have no value in exchange unless it had value in use as prerequisite. Value and utility go hand in hand, and when coupled with scarcity, the combination produces optimum values. Thus, the value aspect of real property is one which arises basically from the use concept."

2. "Value is derived from the profitability of use."

3. "The profit derivable from use is not only the present profit. It is the profit now and into the future; the immediate benefits and the future benefits."



These decisions by the Courts must be accorded considerable weight by appraisers in their selection of a particular definition of value.

We feel that this report concludes that climate and use should have been given far more weight than the appraisers have done. Also, that no consideration was given to the fact that under the leases from the State of California to Harney or his representatives, no consideration was given to the right of the option to purchase said property by the Lessee.

Taking the average of all three appraisals, the average sum is \$5,342,726.00 or a total of \$342,726.00 in excess of what the City paid. What further proof is needed that in this package deal the City bought a valuable asset for its continued growth as one of the largest Cities in the world.

Skyatron & Television

The possibility of paid T.V. in the near future presents a problem both to the City and the bondholders. The general feeling is that there will be a great loss of revenue at the Stadium. The proposed ordinance which has had hearings before the Finance Committee of the Board of Supervisors calls for "The Grantee shall pay to the City as a franchise and permit fee and as further compensation for the rights and privileges granted hereunder, a sum equal to two per cent (2%) of its Total Gross Receipts as defined in Section 21. Such fee shall be paid to the City quarterly and the payment thereof shall be due on or before ninety (90) days succeeding the close of each quarter of a calendar year during which this franchise is in effect."

The proposed ordinance goes on further to state "Franchise property shall be constructed or installed in, on, under, or over streets and alleys only at such locations and in such manner as shall be approved by the Director of Public Works, acting in the exercise of reasonable discretion. Construction, installation, or use of franchise property in all other public places shall be subject to approval of and regulation by the Board of Supervisors and subject to such terms as it may impose, in addition to the approval required by law of any other board, commission, or officer of the City." From interpretation of the above sections before Skyatron can become operative from the San Francisco Multiple Purpose Stadium, it will take further negotiations with the Board of Supervisors at which time consideration can be given to the loss of revenue, if any, because of the operation of paid television.

San Francisco Multiple Purpose Stadium

The 1954 Recreation Bond Issue proposed a Multiple Purpose Stadium. This report concludes that the present 42,000

capacity Multiple Purpose Stadium from the testimony of John S. Bolles Architect, that a permanent football field will be installed along with the baseball diamond. With temporary bleachers it would have a capacity of 54,000 and upon completion of the bowl type Olympic Multiple Purpose Stadium would have a football, baseball and Olympic track capacity of 89,000. At its present 42,000 permanent capacity temporary seating can be arranged as in the Cow Palace for a total capacity of 65,000 for boxing matches. The Recreation Department is now attempting to book the Multiple Purpose Stadium for events other than the 77 days of baseball of which the total revenue will go to pay off the revenue bonds.

Condemnation Procedures

Should the City have acquired the properties through condemnation? Mr. Smith stated in his appraisal report, "For the purpose of this Multiple Purpose Stadium and the parking required incident to it, at least 65 acres was required. It would have been very costly to have assembled so large an area from private owners, and it would have taken a great deal of time. While the City had the right of condemnation, there would have been some legal doubt about the right of immediately taking over this purpose."

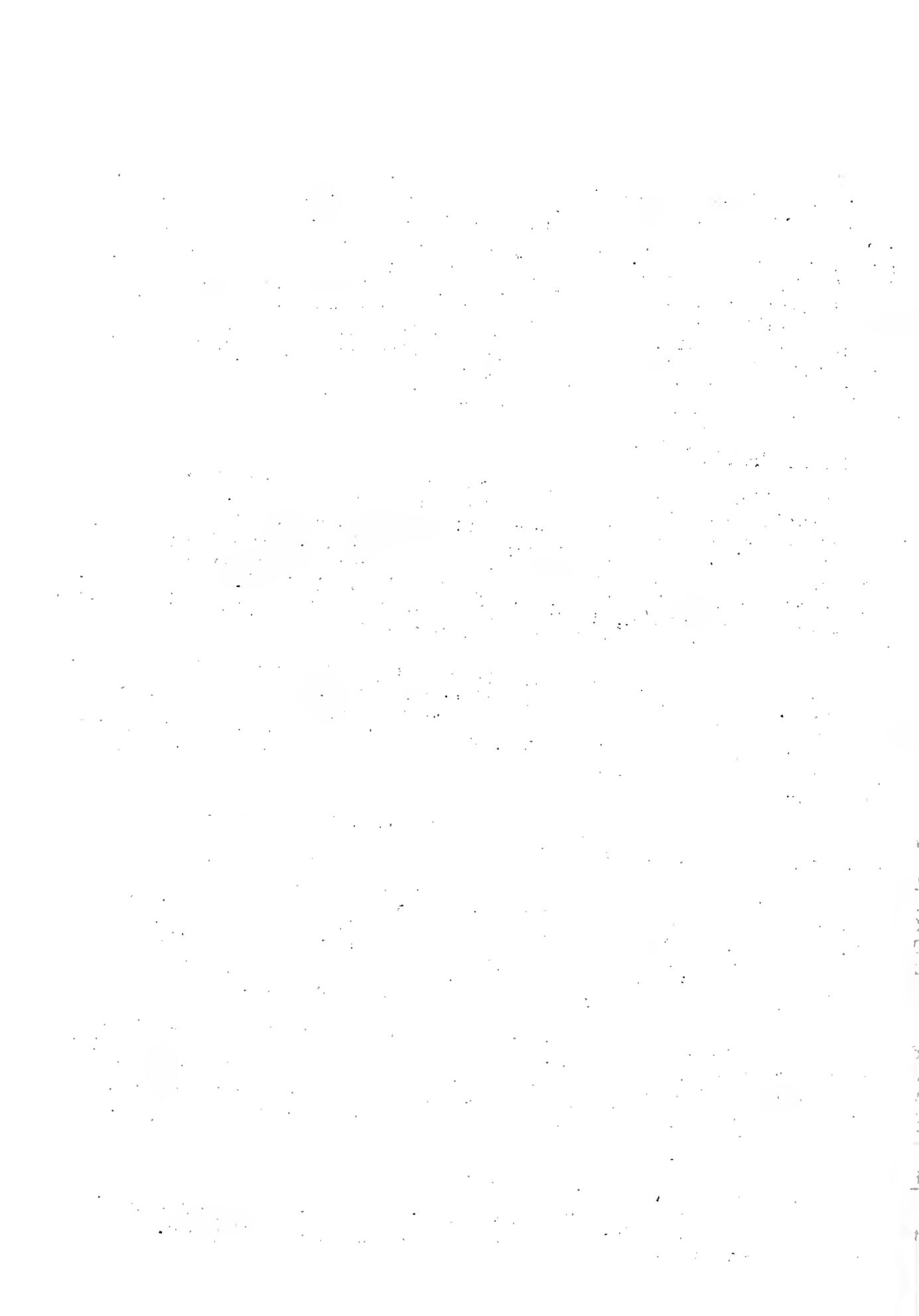
As it was, three of the small property owners almost went to Court. It therefore may be concluded that although the price paid may be higher than that under condemnation procedures (which normally take about two years), considering the time factor, condemnation would not have been practical and would have cost San Francisco the Giants' contract.

From the testimony of Dion Holm, City Attorney, we did have the right of condemnation but would not have the right of immediate possession as in schools, streets or highway condemnations. That by waiting for final judgment of condemnation the cost of labor and materials for construction of the Multiple Purpose Stadium would far exceed the monies additional if any paid for the land than condemnation proceedings would bring. An additional factor is that "Proposition B" \$5,000,000.00 Bond Issue passed in November 1954 would have expired in November 1959.

Also, the Letter of Intent of the Board of Supervisors dated October 1957, states that in the event the Multiple Purpose Stadium is not ready for occupancy in season of 1958 that the City would contact Mr. Paul Fagan for permission to use Seals Stadium for the year 1958 which contemplated a Stadium for the Giants not later than 1959.

Revenue Bonds vs. General Obligation Bonds

Harry Ross, San Francisco's very efficient Controller is the man responsible for a new tool in Municipal finance, the use of



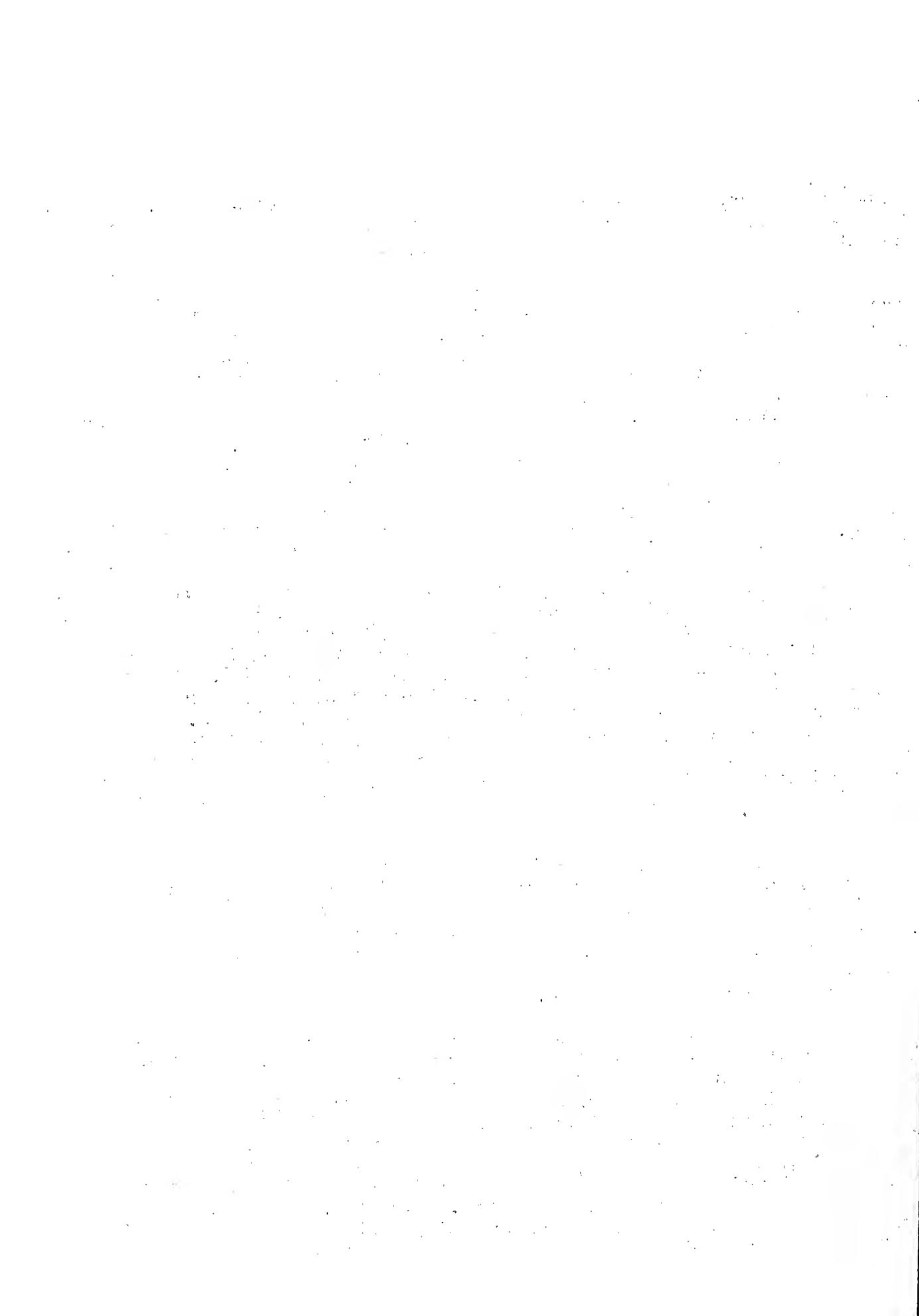
non-profit corporations to build needed public projects such as the; Fifth-Mission, Sutter-Stockton and Civic Center Garages, as well as the San Francisco Multiple Purpose Stadium.

The Bureau of Internal Revenue holds that where a non-profit organization was formed for the purpose of furnishing government with a public improvement, neither the earnings of the corporation nor the interests on the corporate debentures were taxable. The advantage to the City and County of San Francisco is that the users pay for it, thus relieving the general taxpayers of the Community. As Mr. Ross stated: "the debt is only secured by earnings of the facility and they cannot look to the property or to the City and County's general credit for any recovery."

S.F. Stadium, Inc., has deposited in escrow concurrently with the deposit of \$5,000,000.00 by the City and County of San Francisco, a Deed and a Bill of Sale conveying to the City & County of San Francisco the aforesaid lands together with all the improvements thereon. The San Francisco Multiple Purpose Stadium revenue bonds according to Alan K. Browne, President of S. F. Stadium, Inc., are a "bargain rate at 5% for 30-35 years." Los Angeles recently financed a sports arena with an interest cost of 5-1/2% and the Los Angeles Transit Authority financed bus lines at 5-3/4%. It is interesting to note that Detroit, Boston and Cleveland are now following our pattern of financing through revenue bonds. General Obligation bonds for twenty (20) years would run about 3-1/2% according to Mr. Browne. One recent issue for 13 years by the City and County of San Francisco ran 3.07%. It must be remembered that General Obligation Bonds are the responsibility and burden of the taxpayers.

In the Baseball Project, the San Francisco Multiple Purpose Stadium Revenue Bonds will be paid for by the sporting public of the Bay Area. It is estimated that over 40% of last years attendance represented fans residing outside of San Francisco. The 49'ers likewise have had a similar experience. The Multiple Purpose Stadium customers and not the taxpayer will in the longrun, pay for the recreation center.

One thing to remember is that the pay-off of revenue bonds may be accelerated as a result of increased revenues at savings of interest whereas General Obligation Bonds must carry on to maturity. The City and County of San Francisco may, in 1970, after ten (10) seasons of experience, pass General Obligation Bonds for the remaining bonded indebtedness and pay off the revenue bonds at a premium cost of 4-1/2%. It is also possible that this could be done immediately with the consent of all parties if initiated by the City and County of San Francisco. However, by 1970, we should know if the revenues will be forthcoming and then is the time to vote the General Obligation Bonds for the purpose.



There are Four reasons for the use of Revenue Bonds in this case:

1. The Bonds are paid for by users of the facilities and not a burden of the taxpayer or the City and County of San Francisco.

2. A General Obligation Bond of this amount would put the City and County of San Francisco closer to its bonding capacity. On September 30th, 1958, there were unissued but voted by the taxpayer, \$68,000,000.00 of bonds for hospitals and other new revenue producing measures. The debt limit at this time was \$41,000,000.00. Therefore the City and County of San Francisco could issue only \$41,000,000.00 of Bonds.

3. The City and County of San Francisco could not have financed by the use of Revenue Bonds by the City and County of San Francisco even if authorized by voters due to the fact that said Bonds would not be marketable because of lack of experience in the revenue production of such a facility in San Francisco.

4. Because of unreasonably high percentage of votes (66-2/3) required for passage of a bond issue, and the lack of time to place the bond issue before the general public, the revenue bonds became a handy expedient.

If the San Francisco Multiple Purpose Stadium Project were financed in a similar way by use of General Obligation Bonds bearing in mind the date of execution of documents, we would have \$2,000,000.00 at 3.61% for thirty (30) years and \$3,500,000.00 at 3.86% for thirty-five (35) years and that such bonds would become a general obligation of the City and County of San Francisco and the taxpayer. The interest for the above issues would total for the 30 and 35 years \$3,551,000.00, as against the approximate \$6,000,000.00 if the Revenue Bonds were carried to maturity. But the latter \$6,000,000.00 is not a General Obligation of the City and County of San Francisco or the general taxpayer, but paid by the users of the facility.

If last years' attendance of 1,270,000 in a 22,000 capacity stadium is any criterion, it would take approximately eighteen (18) years to fully pay off the Revenue Bonds.

The question of competitive bidding is relatively unimportant since all construction and contracting is supervised and checked by City Departments and the Board of Supervisors. As more and more nonprofit corporations are formed they will bid among themselves for the privilege of building needed public facilities. The non-profit corporation has proved itself a needed adjunct in City government. This is especially true as we approach our debt

limit. General Obligation Bonds should be used only in non-revenue producing ventures (such as schools and hospitals) that our voters may desire. The use of Revenue Bonds is not a method of by-passing the voter but a means of providing for more worthwhile issues.

Conclusion

Our overall conclusions are:

1. The site was the most suitable and adaptable to be found in the City and County of San Francisco.

2. The 1954 Recreation Bonds proposed a Multiple Purpose Stadium. We feel that this Stadium was built with that purpose in mind and fully complies with the Recreation Bond issue.

3. We see from all considerations that by procrastination the City and County of San Francisco would have lost the Giants and that even in such an event had the Giants remained, the additional cost of construction would have been prohibitive. Also the legality of the issuance of the Bonds after November 1959.

4. Skyatron. The proposed Ordinance between Skyatron Television Inc., and the City and County of San Francisco calling for a payment of 2% of the gross revenues and for further negotiations with the Board of Supervisors for use of public places will assist in the covering of any losses by the use of pay Television.

5. Condemnation: Because of the time element necessary to complete this project, condemnation proceeding would be costly, lengthy and ultimately cost the City and County of San Francisco the Giants.

6. Market Value: The average of all three appraisals was the sum of \$5,342,726.00 or total sum of \$342,726.00 in excess of what the City and County of San Francisco paid for the land with its improvements.

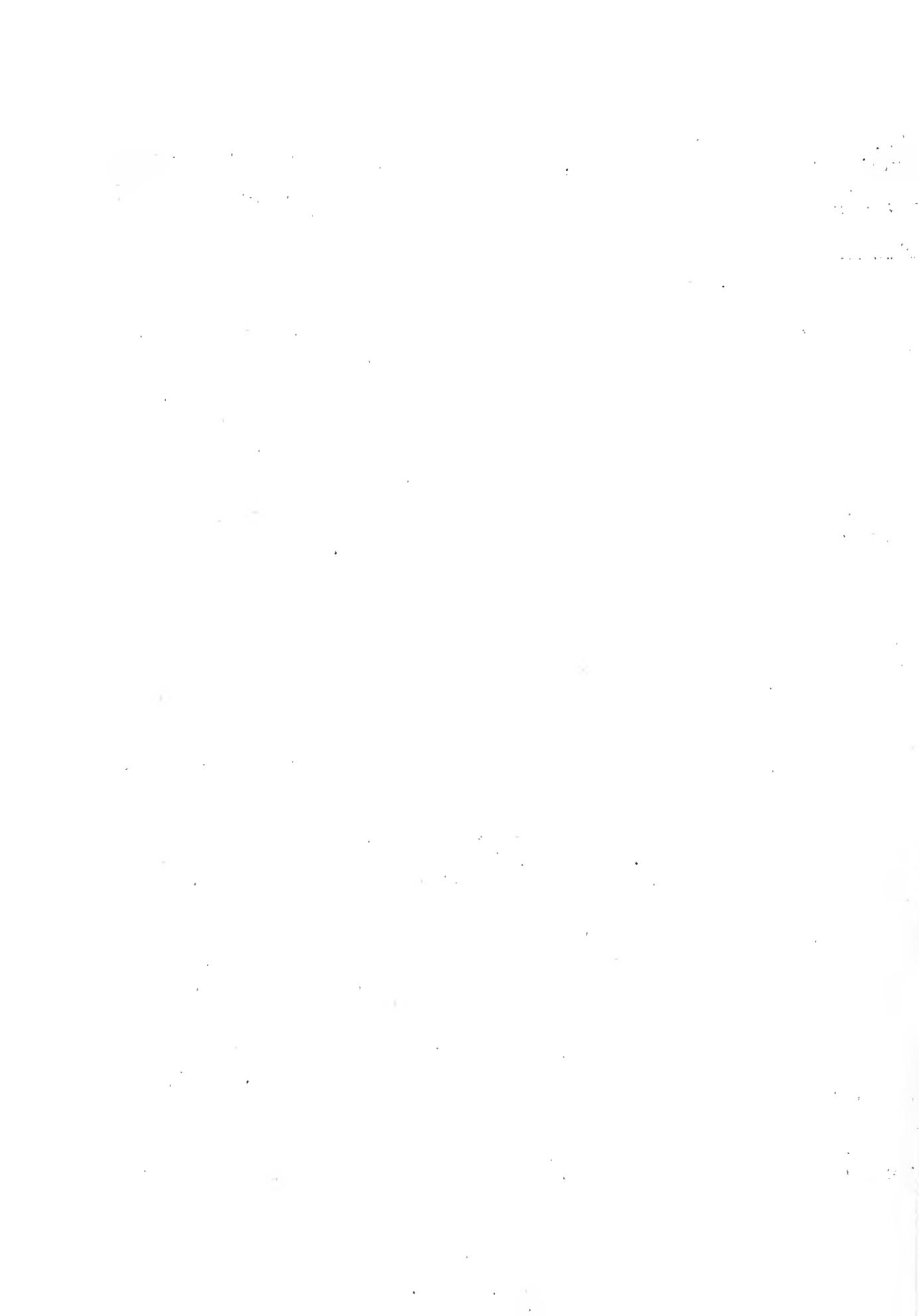
7. General Obligation vs. Revenue Bonds. The use of Revenue Bonds was the only means of bringing the Giants into San Francisco, since there was not sufficient time to present the question of General Obligation Bonds to the voting public.

We feel that the Baseball Project will be the center of new growth of a great Industrial Area in the Hunters Point Recreation District with its 400 acres giving added employment and investment opportunities to our City.

The undersigned hereby commend all City Officials and other participants in doing a very efficient and excellent job in the formulating of the San Francisco Multiple Purpose Stadium Project.

LEO J. MURPHY

MRS. MARGARET A. KLAUSER



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C O M M I T T E E

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JUVENILE DEPARTMENT

The San Francisco Juvenile Department is made up of three distinct divisions: Juvenile Hall, Probation Department and Log Cabin Ranch School.

Superior Court Judge Melvyn I. Cronin presides over the Juvenile Department which is located at the Youth Guidance Center. Two referees appointed by the Judge assist in hearing cases requiring official action. Judge Cronin and Chief Probation Officer Thomas F. Strycula and their staffs are highly commended by the Jury for their dedicated devotion and long, untiring efforts in accomplishment under conditions in which it is difficult to attain perfect operation and administration due to the following circumstances:

It is recommended by the 1958 Grand Jury that adult crimes against children be transferred to the new Hall of Justice (when completed) and that only if necessary, preliminary hearings in these cases be heard by Judge Melvyn Cronin and that the jury trials be held in the new Court House. This procedure is followed in Los Angeles and Alameda counties. This will help to alleviate the tremendous work load that Judge Cronin is carrying. He is performing in some cases a 5- and 6-day work week and some night work.

Juvenile Hall

Juvenile Hall is under the excellent and efficient direction of Elmer J. Gaetjen. The overcrowded condition of this department is of grave importance and should be corrected immediately. Following is a count of the daily average population and the capacity:

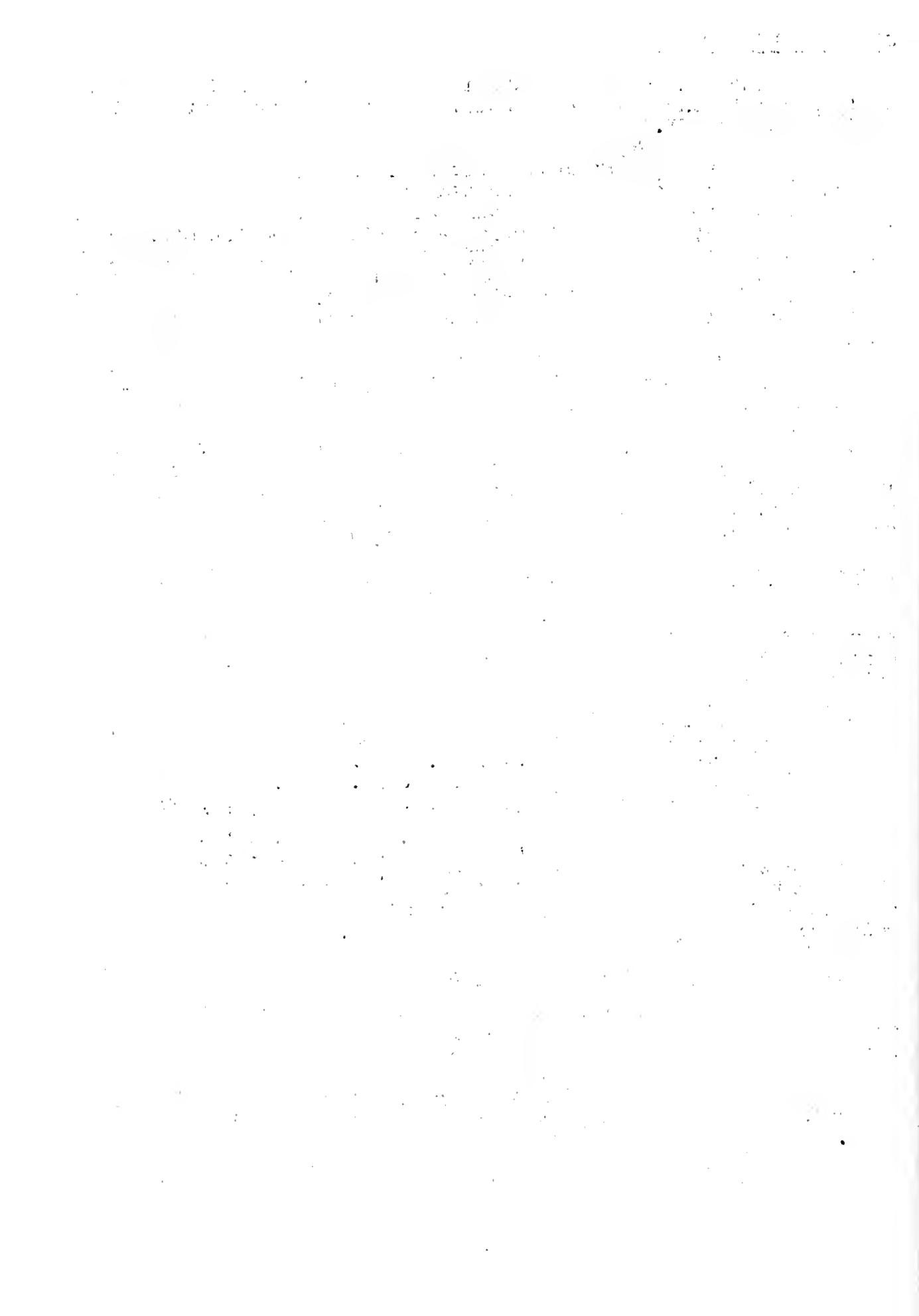
<u>Population</u>	<u>Capacity</u>
Problem Boys	107.9
Problem Girls	41.0
Neglect Cases	85.1

The Youth Guidance Center has a smaller percentage of total bed space for difficult children than any four other comparable counties having juvenile home capacities in excess of 100, because it is caught between an extraordinary high rate of referrals and a low bed capacity for delinquents.

Delay in Processing Cases

For the following reasons, some cases are delayed as much as three or more days, thereby being cause for extra bed space being overtaxed.

One probation officer may have as many as 115 cases to supervise, the norm being from 60 to 80, depending on the type of case.



JUVENILE DEPARTMENT - Continued

Many delays occur because of the lack of sufficient clerical assistance to prepare the necessary documents for court.

Shelter Case Facilities

The shelter care facilities of the Center have capacity for 80 children which is exceeded more often than not. Average length of stay for dependent children in 1958 was 40 days. This far exceeds the generally accepted practice throughout the State. The time element should be reduced for the welfare of the children and the relieving of the overcrowded condition of the cottages.

The San Francisco Probation Department, because of a City ordinance, and unlike probation departments of most other counties, does not take an active part in foster home placement of non-delinquents. This responsibility is placed in private and public agencies other than the probation department.

It is recommended that the Probation Department be authorized to pay a higher rate for board and room for temporary care of dependent children who must wait for long periods of time until they are placed in permanent foster homes. Thus, a substantial decrease in the dependent case load could be anticipated.

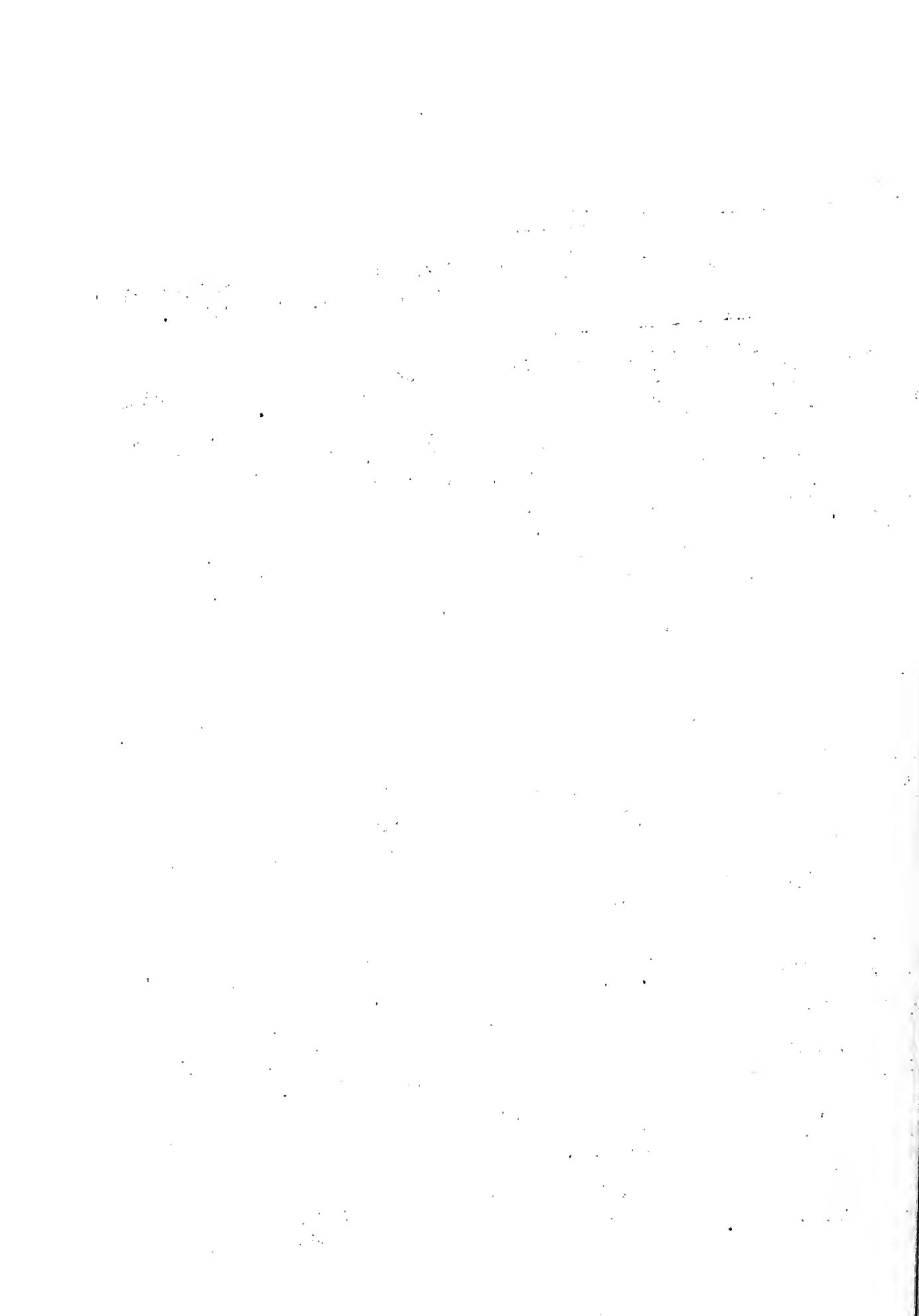
The transportation of wards to and from institutions is conducted by probation officers. It is recommended that two transportation officers be assigned to the Youth Guidance staff to enable the Probation Officers to concentrate on case investigations and supervision.

Probation Department

This department is supervised by Mr. Chester V. Pampanin. Mr. Pampanin has a thorough knowledge of his duties and executes them in an excellent manner. In the late spring, the 1958 Grand Jury carefully considered and studied the problems of the Center and passed a resolution requesting an additional twelve probation officers, based on the fact that the average daily population was 223 children, which exceeded the maximum capacity of 195.

The highest census in the history of the Center occurred on May 5, 1958, with 318 children in residence - when many beds were placed in halls and corridors.

In spite of these established facts, the Board of Supervisors granted an increase of only two probation officers instead of twelve as requested.



JUVENILE DEPARTMENT - Continued

It is recommended that at least a minimum of ten probation officers be granted at the next budget hearing.

Log Cabin Ranch School

This school for boys is located at La Honda, California, for the rehabilitation of problem boys. The Ranch provides a regular school curriculum by the San Francisco School District, a farm program, and an automobile mechanical course. A new Recreation Hall and Dormitory has been completed; and the Elmer Skinner Auto Mechanics Building, which was erected by private capital, is in full operation. A master plan has been started and approved to rebuild the Ranch, and it is recommended that the work proceed as rapidly as possible because the old buildings are in a deplorable condition and constitute a present fire hazard. In this rebuilding the State will contribute to the city \$108,000 as their share. The city receives from the state \$95.00 per month for each boy who attends the Log Cabin Ranch School. It is also recommended that a Utilities Building be authorized. Log Cabin Ranch School for Boys is under the general supervision of Mr. Strycula, but the daily operation is under the able leadership of Mr. Chay. The committee was impressed by the fine attitudes and liaison that exists between the boys, Mr. Chay and his staff. A true big-brother relationship exists, and it was observed that Mr. Chay commands full respect of the boys.

Auxiliary

Great assistance is afforded the Youth Guidance Center by the Volunteer Auxiliary which was organized in 1950. Its more than 600 volunteer members contribute active volunteer services in educational, spiritual, and recreational programs for children under the care of the department; also, in many instances, cash grants and awards are donated to further these activities. The 1958 Grand Jury commends them highly for their efforts which help in a high degree in the operation of the institution, without which the city would be obliged to secure more personnel and a larger budget.

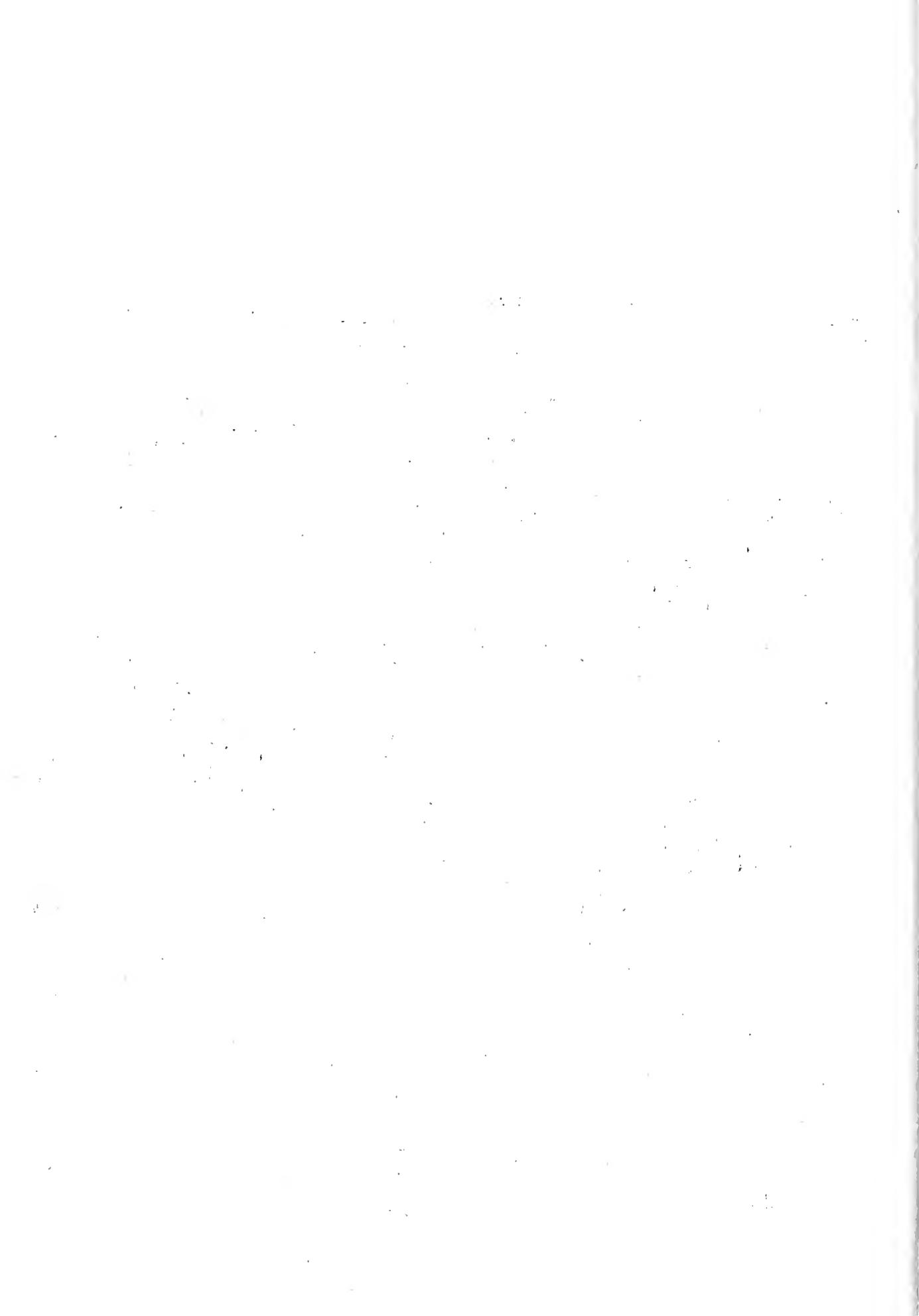
This report is respectfully submitted to whom it may concern for their information, guidance, and appropriate action.

ROY J. SCOLA, Chairman

GERTRUDE LEVISON

EARL S. LOUIE

MARGARET KLAUSER



RECREATION AND PARK DEPARTMENT

An unusual circumstance was met by the Parks-Recreation Committee of the Grand Jury at the very outset of the year. The former General Manager of the Recreation and Park Department had just been replaced, the Commission having named Raymond S. Kimbell, the Recreation Superintendent, as Acting General Manager.

This circumstance posed certain understandable problems for the Department's staff. Included in the circumstance was the Commission's announcement that it would conduct a search --- throughout the country, if necessary --- to find a person with the proper professional qualifications to permanently fill the position of General Manager.

The Grand Jury Committee, after a careful review of the Department, held a meeting with the staff on the evening of March 26, 1958, which was quite extraordinary for it was the first time that a Grand Jury Committee had ever held such a meeting with the full staff.

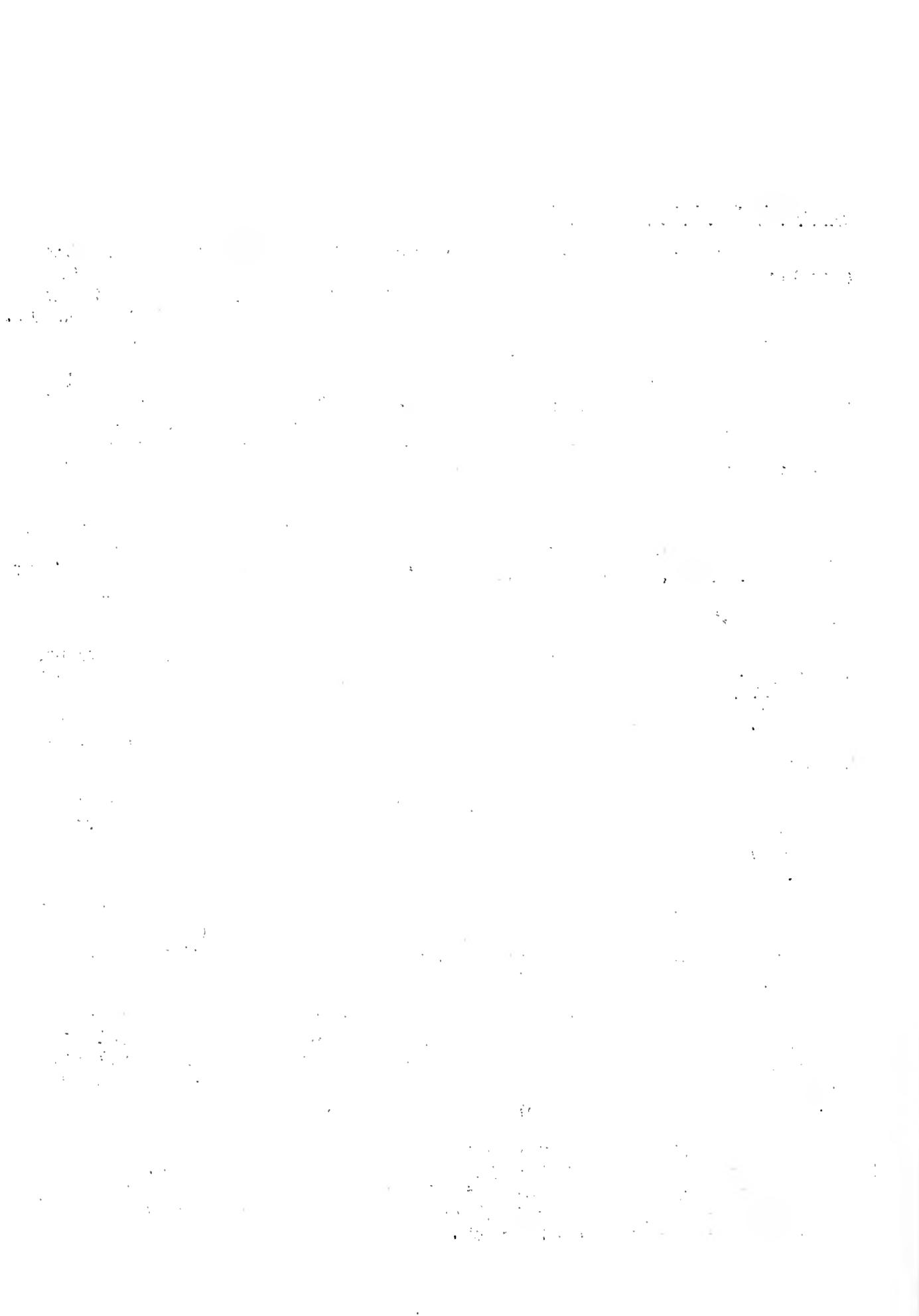
Many interesting ideas were developed at this meeting. The Committee determined that in its opinion there were a number of qualified Staff members who could fill the position of General Manager, and recommended to the Commission that its appointment be made as a promotion from within the Department rather than from outside.

The subsequent appointment of Mr. Kimbell as General Manager was regarded as a sound one by the Committee, and, to judge from widespread community acceptance, a generally popular move.

It is the opinion of the Committee that there has been real progress made in the Department this year, both in terms of better teamwork on the part of Staff and in terms of accomplishments in service and facilities.

A great deal of progress was noted in developing a Master Plan for the development of McLaren Park, and the first stages of actual construction --- such as the swimming pool and golf course --- are concrete examples of the fine recreational area which is in store for San Francisco.

Although the Department came in for some criticism for alleged lack of expedition in the McLaren Park project, it should be noted that certain appropriations for this very same project which had been sought by the Commission for some time were finally approved within the last month.



RECREATION AND PARK DEPARTMENT (continued)

Of particular interest, too, is the large amount of activity in the Zoo area where the first unit of the wonderful Storyland Playground is practically completed and where a major change in policy was authorized by the Commission when it gave the San Francisco Zoological Society permission to operate the various refreshment concessions in the Zoo proper. This Society, formed by many interested and responsible San Franciscans, deserves a great deal of credit for its splendid work in connection with the Zoo.

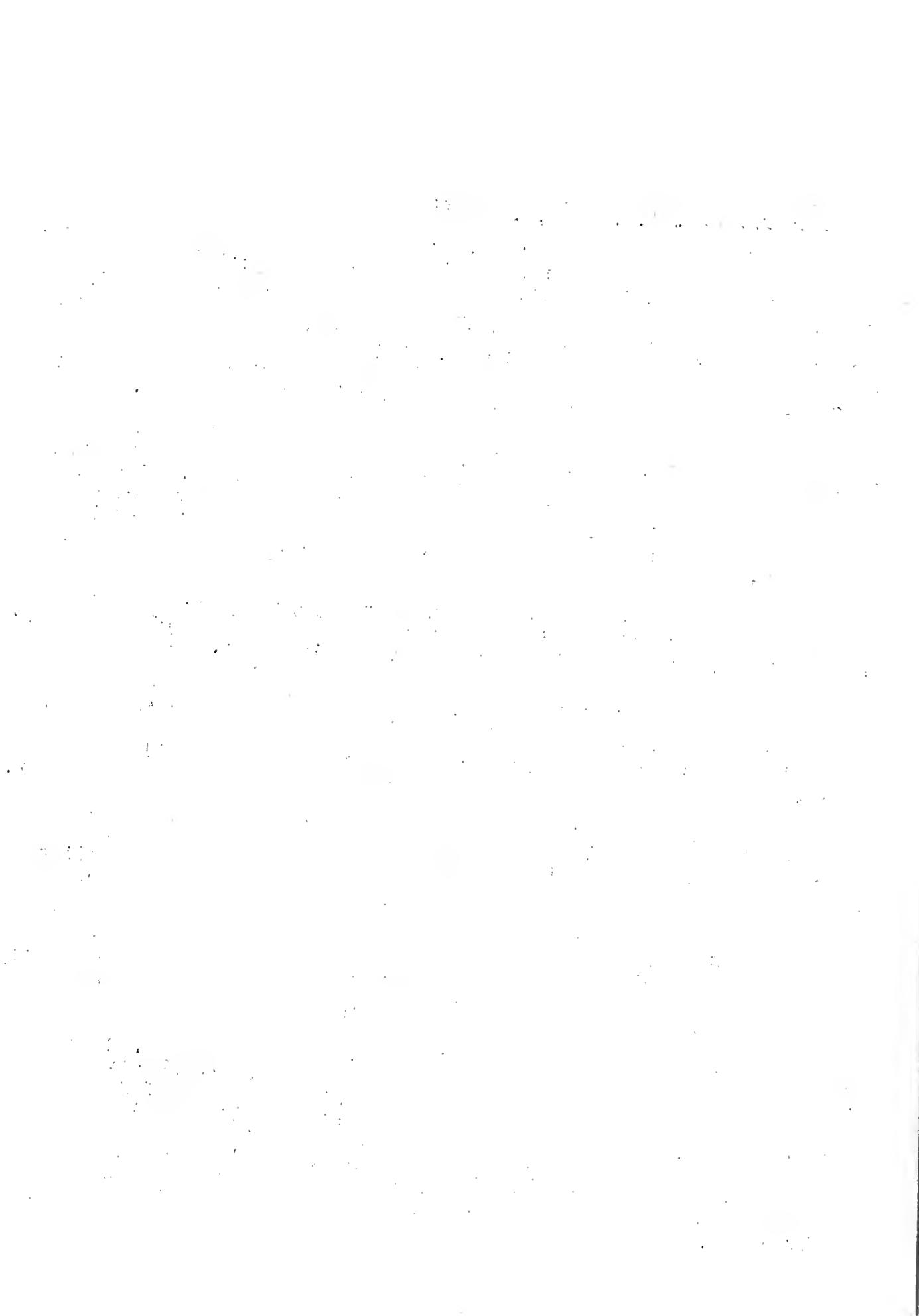
One of the finest notes of achievement during the past year was completion of the entire swimming pool program which had been authorized by the 1955 Recreation-Park Bond issue. Formal opening of the Balboa Park, McLaren Park and Larsen Park pools brought to seven the fine system of enclosed, fresh water pools throughout the city, the others being Hamilton, North Beach, Rossi, and Garfield.

The Committee wishes to note the cooperation apparent between the Recreation and Park Department and the School Department in all matters in which they have a mutual interest.

The Committee also wishes to congratulate the San Francisco Housing Authority for its splendid cooperation in appropriating funds and developing plans for the construction of a recreation center at the Hunters Point Project which will be built by the Authority and operated by the Recreation and Park Department.

A number of visits were made by the Committee to the various widespread units of the Department in an effort to be helpful. Various suggestions as to improved operation of Harding Park Golf Course were made and adopted by the Department. The Committee is in complete agreement with a request for funds to rehabilitate and protect the Coit Tower murals, which request will be presented to the Commission, the Mayor and the Board of Supervisors in the 1959-60 budget. The Committee also had an opportunity to inspect Camp Mather, the family vacation camp operated by the Department in a most able manner in Tuolumne County.

The Committee noted buildings, namely the M. H. de Young Memorial Museum and the Academy of Sciences group (consisting of the Steinhart Aquarium, Morrison Planetarium and Hall of Science, Stinson African Hall and Academy of Sciences Hall), all in Golden Gate Park, and the California Palace of the Legion of Honor in Lincoln Park, which buildings, while physically located on Recreation and Park Department property, are not actually under that Department's jurisdiction. These buildings are all under separate Boards of Trustees.



RECREATION AND PARK DEPARTMENT (continued); REAL ESTATE DEPARTMENT

The Department is to be commended on the completion of its Soccer Field at Balboa Park which is considered the finest in the United States, and the only one wholly owned and operated by a municipality.

The Committee appreciated the completely open, honest and above-board manner in which the entire Staff of the Department cooperated with it in furnishing all requested information. Although there is considerable work still to be accomplished in maintenance and in developing the Department's program, the Committee feels that the personnel are facing their problems with honesty and competence.

It is a pleasure to note that two of the Department's officials --- General Manager Kimbell and Recreation Superintendent James P. Lang --- were honored at a civic luncheon on October 20 at the St. Francis Hotel on the memorable occasion of these two gentlemen having completed thirty years of service in the field of recreation to the people of San Francisco. It was a deserved recognition of responsible and effective leadership in this vital field.

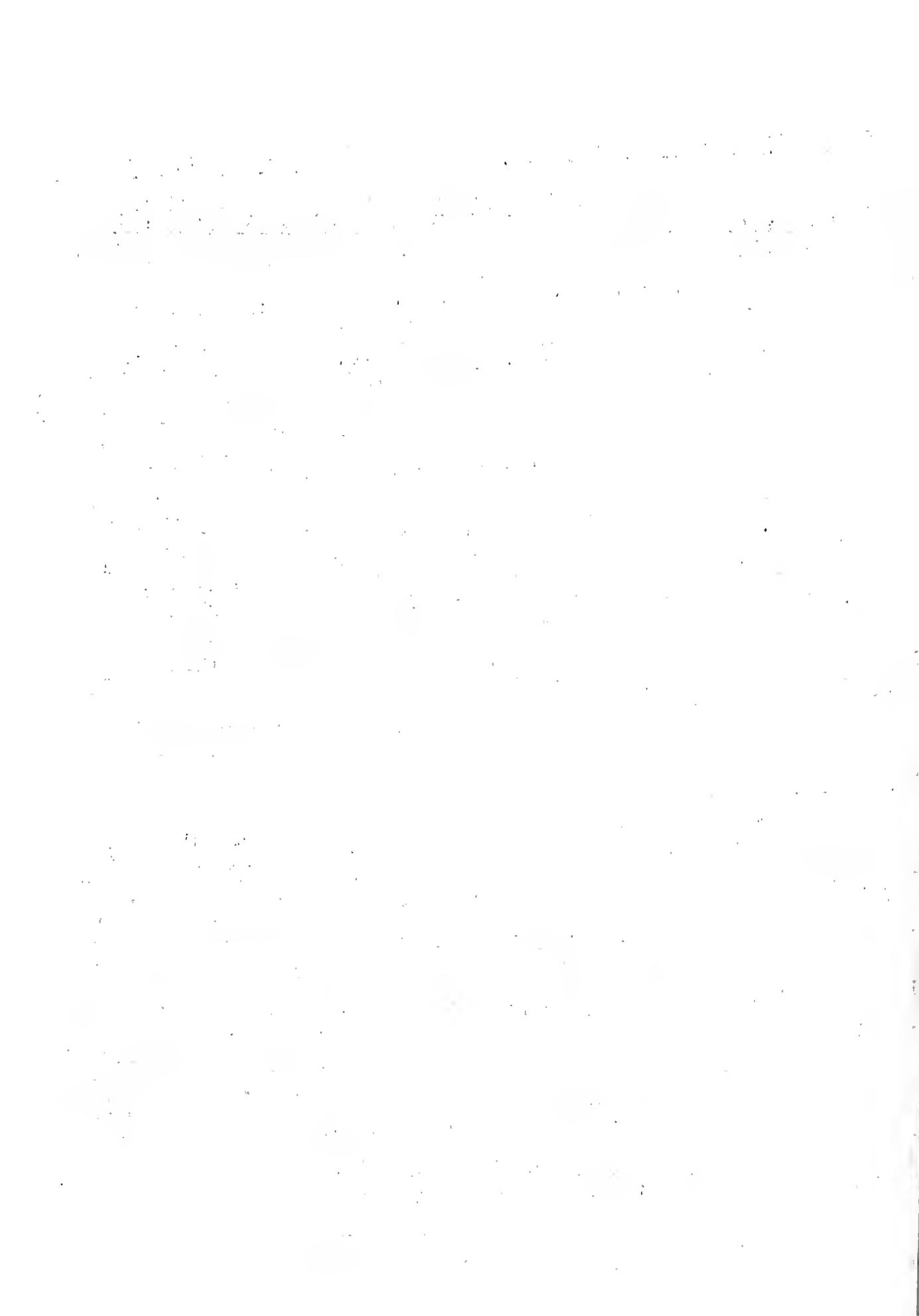
This report will not comment on the Big League Stadium since the Grand Jury as a whole is considering this matter in a separate report.

REAL ESTATE DEPARTMENT

The Real Estate Committee has met with Mr. Philip L. Rezos, Director of Property, quite a few times during the past months, together with Mr. Henry North, Foreman of the Grand Jury. Mr. Rezos was very informative on the function of the Real Estate Department. The actual duties and responsibilities of the Real Estate Department are, perhaps, not very well known by the general public.

Under the Charter, the Real Estate Department acts as real estate agent for all the other city departments. The Director of Property makes preliminary estimates of property to be acquired or leased at the request of departments requiring such property. He conducts negotiations with owners and may recommend acceptance of terms of sale or lease by the Board of Supervisors or may recommend that proceedings in eminent domain be initiated.

Real property owned by the City may be sold on the recommendation of the officer, Board or commission in charge of the



REAL ESTATE DEPARTMENT (continued)

Department under whose jurisdiction the property is. When the Board of Supervisors, by ordinance, may authorize such sale, the Director of Property shall make a preliminary appraisal of the value of such property and shall advertise the time and place of such proposed sale and report to the department head and to the Supervisors any and all tenders received. The Board of Supervisors, by resolution, may authorize the acceptance of the highest and best tender.

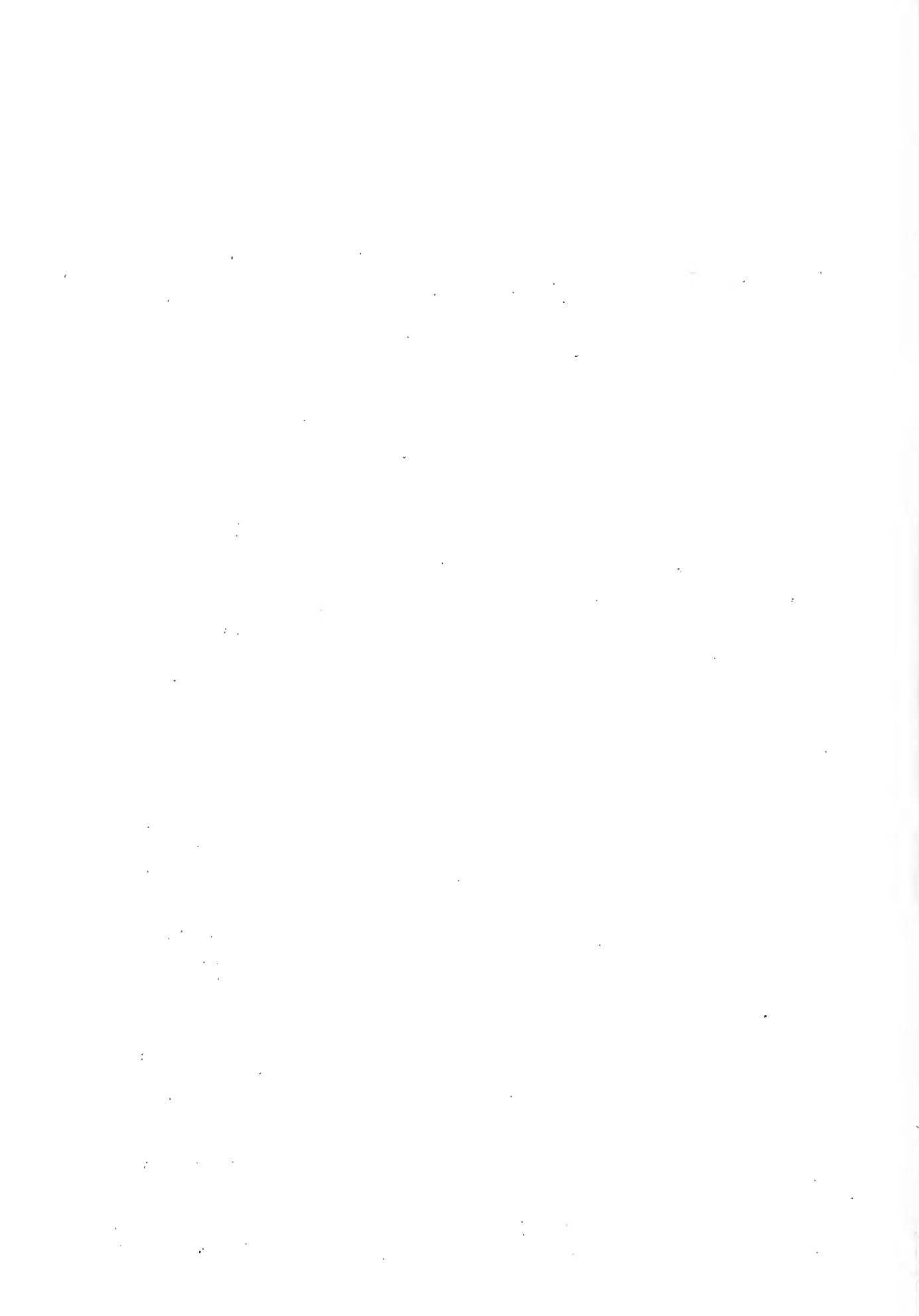
The Director of Property also has control and management, under the Charter, of the Civic Auditorium and Brooks Hall.

The Real Estate Department is the real estate agent for all other City Departments. Although its operations have involved virtually every department in the City through the years, the major portion of its work is done by work orders received from the Department of Public Works for major streets and freeways, street widenings, etc.; Public Utilities Commission, including the Water, Airport, and Hetch Hetchy Departments for acquisition of lands and rights of way and sale and leasing of lands; Recreation and Park Commission for acquisition of lands for various projects, including McLaren Park and San Francisco Municipal Stadium; Redevelopment Agency for Diamond Heights, Western Addition, and Golden Gateway Project "E"; Parking Authority for Fifth and Mission, Sutter-Stockton and other projects; Board of Education for acquisition of school sites.

In addition to acquisition of lands required for various projects, this Department also devotes considerable time to making preliminary and final appraisals and studies for various purposes such as the Western Freeway, the Civic Center Development Plan, and others.

The operations of the Real Estate Department include not only lands within the City and County of San Francisco, but also lands in San Mateo, Santa Clara, and Alameda Counties, as well as Kern County (the Fuhrman Bequest oil properties), also Tuolumne, Stanislaus, and San Joaquin Counties (Hetch Hetchy Water and Power Supply). As examples of these, the Department has just completed the appraisal of the 106 acre Water Department parcel in Millbrae, known as the Silva Tract, which is about to be declared surplus. The Director of Property has also been asked to serve on the Committee studying the disposition of the surface of the 600 acre Water Department land at Pleasanton, which can be developed into an industrial park with very substantial revenues accruing to the City.

In addition to the Departments listed above, the Real Estate Department is also required to do considerable real estate



REAL ESTATE DEPARTMENT (continued)

work of various types for other Departments such as the Fire Department, Police Department, the Municipal Railway, the Registrar of Voters, the Department of Electricity, and others.

The personnel of the Real Estate Department totals 22 persons. This is an increase over previous years and it appears that the staff is now sufficient for the immediate future. Many of the employees are relatively young and new in the Department; however, they have had a fine background of education and experience and are active in the American Right of Way Association and the American Institute of Real Estate Appraisers and in other organizations that will tend to increase their value to the City. Many of them are also attending appraisal and related courses at the University of California Extension Division and elsewhere in order to improve their ability as appraisers and negotiators. When the newest right of way agents have completed a year or two of service, this Department will have a staff which it is believed will be second to none in the State.

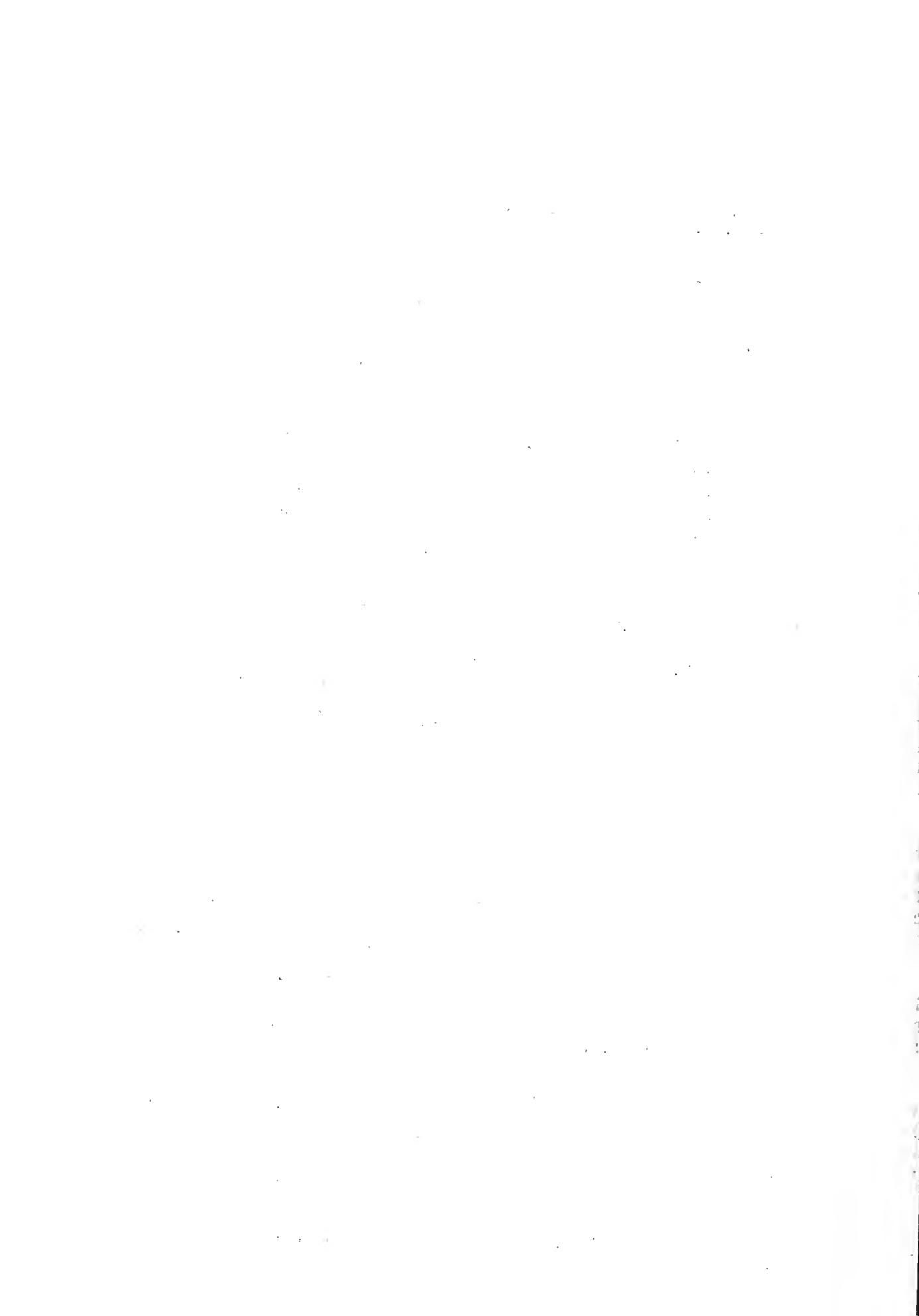
The efficiency of the office would be greatly improved by the purchase of a reproduction machine of the Thermo-Fax type. The cost is relatively modest -- less than \$300. The benefit to the Department is incalculable. This item was requested in the last budget, but the request was denied. In general, it is believed that the future outlook for the continued efficiency of the Department is good.

The Civic Auditorium was built in 1914 and although it has deteriorated badly and requires a great deal of maintenance and repair work, it is essentially a sound building and can be continued in service for many years. Certain repairs and certain changes in arrangements should be made as soon as possible, in order to attract the maximum number of conventions and exhibitors.

Brooks Hall was completed in April of this year and all indications are that it was a well planned and well built structure and in combination with the Civic Auditorium will be a great asset in attracting conventions to the City.

One specific recommendation is made which we believe will be beneficial to the operation of the Real Estate Department. Funds should be provided in the Annual Budget each year so that the Director of Property may employ independent appraisers for assistance during the early stages of proposed projects.

The San Francisco Municipal Stadium project is not included in this report since this is being considered independently by the Grand Jury as a whole.



WEIGHTS AND MEASURES

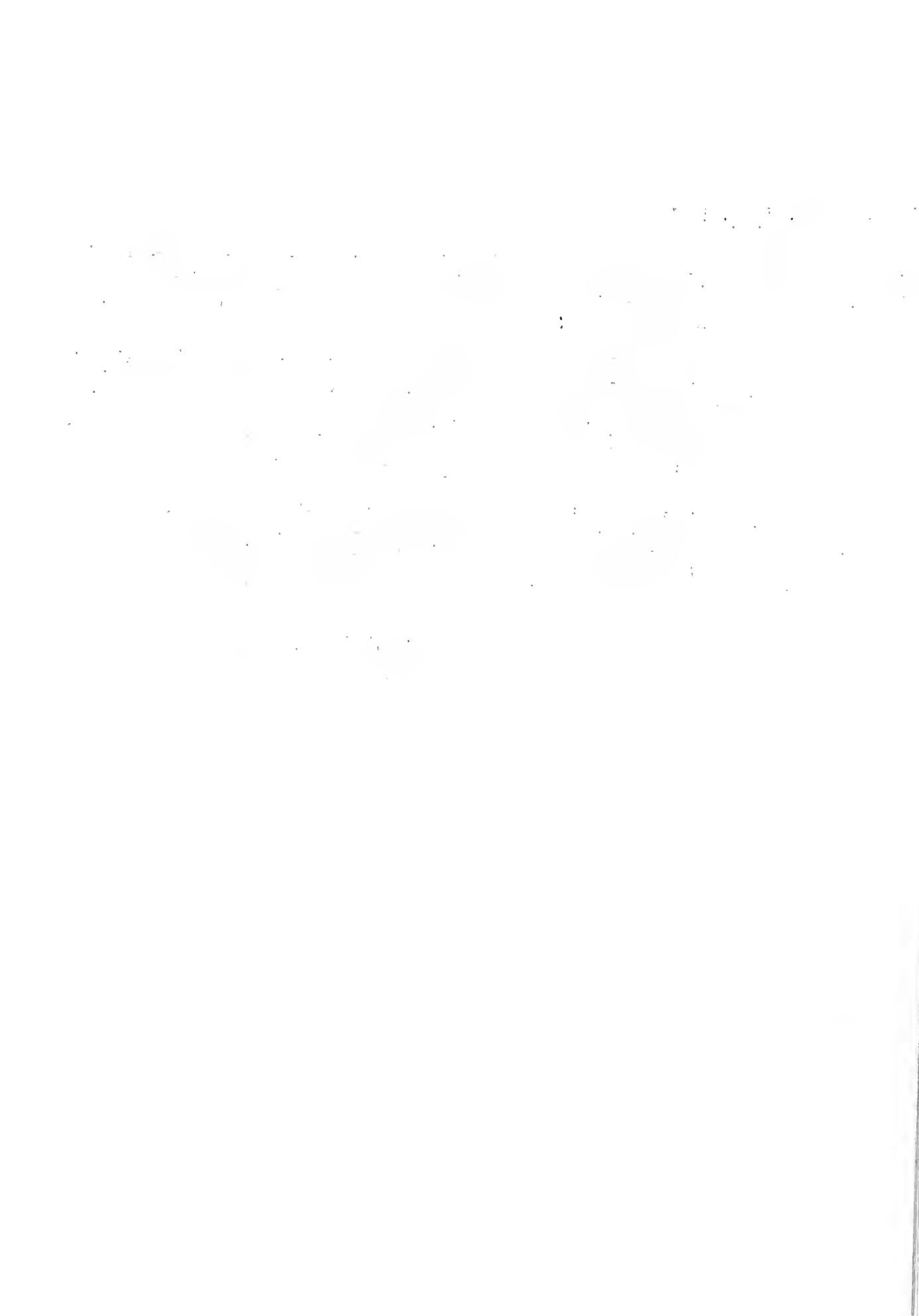
The 1958 Grand Jury joins with preceding Grand Juries in strongly recommending that San Francisco construct a legally required Meter Testing facility and hopes that this will be accomplished in the following year.

The legal requirements are those of Sections 12210, 12500 and 12501 of the Business and Professions Code. The failure of the City and County of San Francisco to provide this equipment prevents wholesale deliverers of petroleum products from complying with State law. With this exception this department is ably conducted and staffed and has a high acceptance in its field of work.

This department also manages the San Francisco Farmers' Market which on January 1, 1959 will place in effect a new Fee system. This should improve its financial standing in accordance with the enabling Ordinance and it is hoped will permit some needed improvements.

EARL S. LOUIE, Chairman

HOWARD H. LOWRY



CITY ATTORNEY

The Grand Jury Committees of recent years have repeatedly urged in their reports that the City Attorney's office:

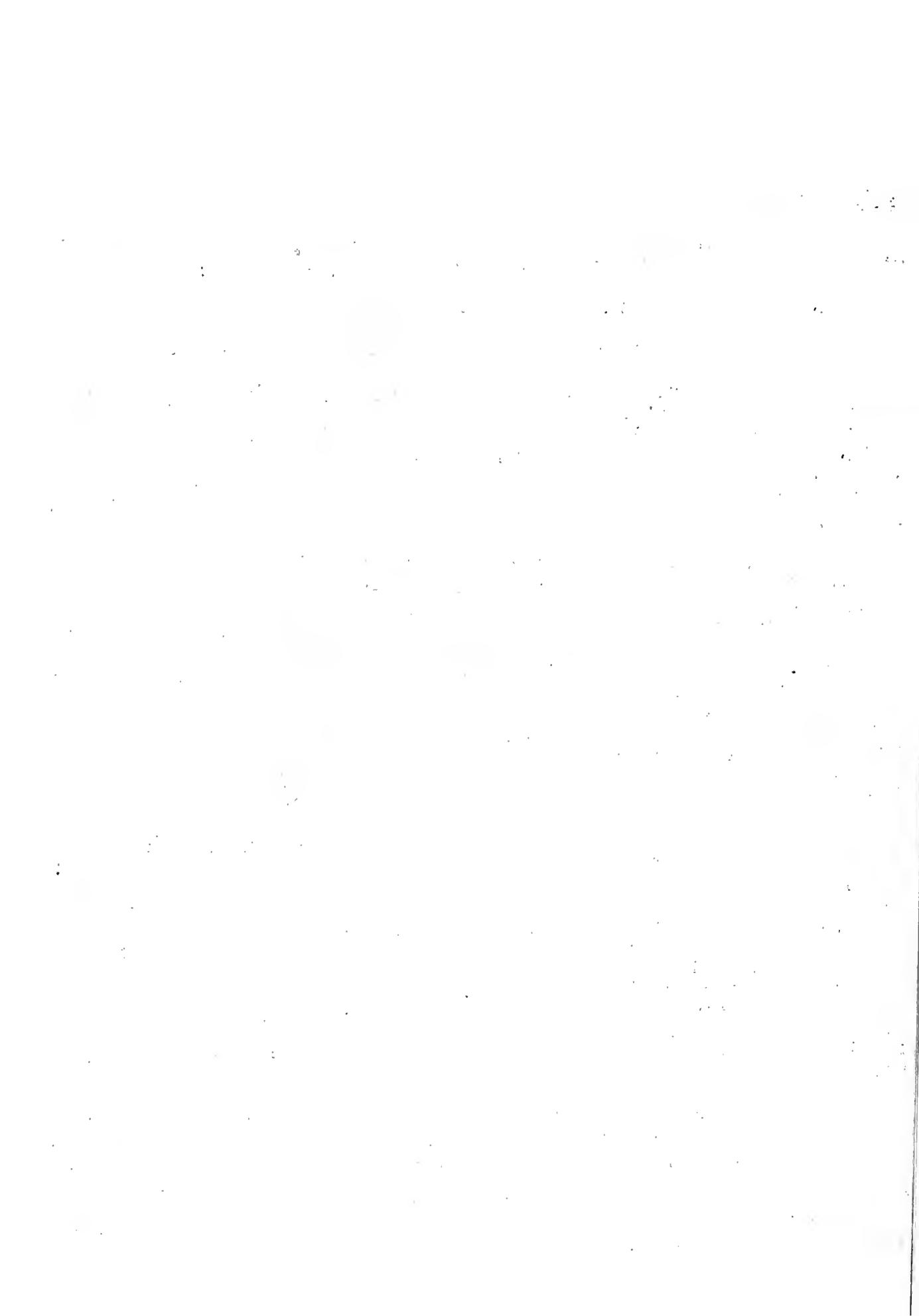
1. Be given an increase in its professional staff.
2. That it be furnished with more adequate quarters.

The City Attorney represents the City and County in all civil and legal matters, in defense of suits brought against the City and County and in the prosecution of various suits in its behalf. In addition to trial work, the City Attorney must act as counselor, giving legal advice to the officials of various departments of the City, and look into and approve all contracts and bond issues.

While the abovementioned duties have been in the office of the City Attorney for some time, this Committee, after thorough survey, finds that the complexity and increased volume of legal problems presented to the office of the City Attorney, arising out of the normal growth of this City, alone has made these needs more critical. Adding to this situation, this past year has been marked by activity on some singular legal problems which has further greatly increased the tempo of work in the City Attorney's office. Our City Attorney, Mr. Dion R. Holm, is to be complimented on his accomplishments, working under these handicaps. However, the workload has now reached such proportions that to perform efficiently this office must be given additional staff and quarters.

During the past year, the City Attorney and his various deputies concluded the agreement whereby the San Francisco Stadium, Inc., a non-profit corporation, has undertaken to build a baseball stadium, together with the necessary parking area for the City and County, using private financing for this venture. The Grand Jury has been shown the file, which represented one copy of each of the documents which it was necessary to draw, examine and approve before this project could be started. This file is approximately 10 to 12 inches thick and contains no less than 10 agreements and leases which the City Attorney's office was called upon to assist in the preparation and approval, and which covered many months of work.

The increased activities of the Parking Authority and the Redevelopment Agency have been prime factors for the increased workload of the office. Millions of dollars worth of property must be acquired in all of these project areas and at the present time the City Attorney and two deputies are carrying on the negotiation and litigation to acquire this property. It has been necessary in this field to contract with private counsel to try some of the cases



CITY ATTORNEY (Continued)

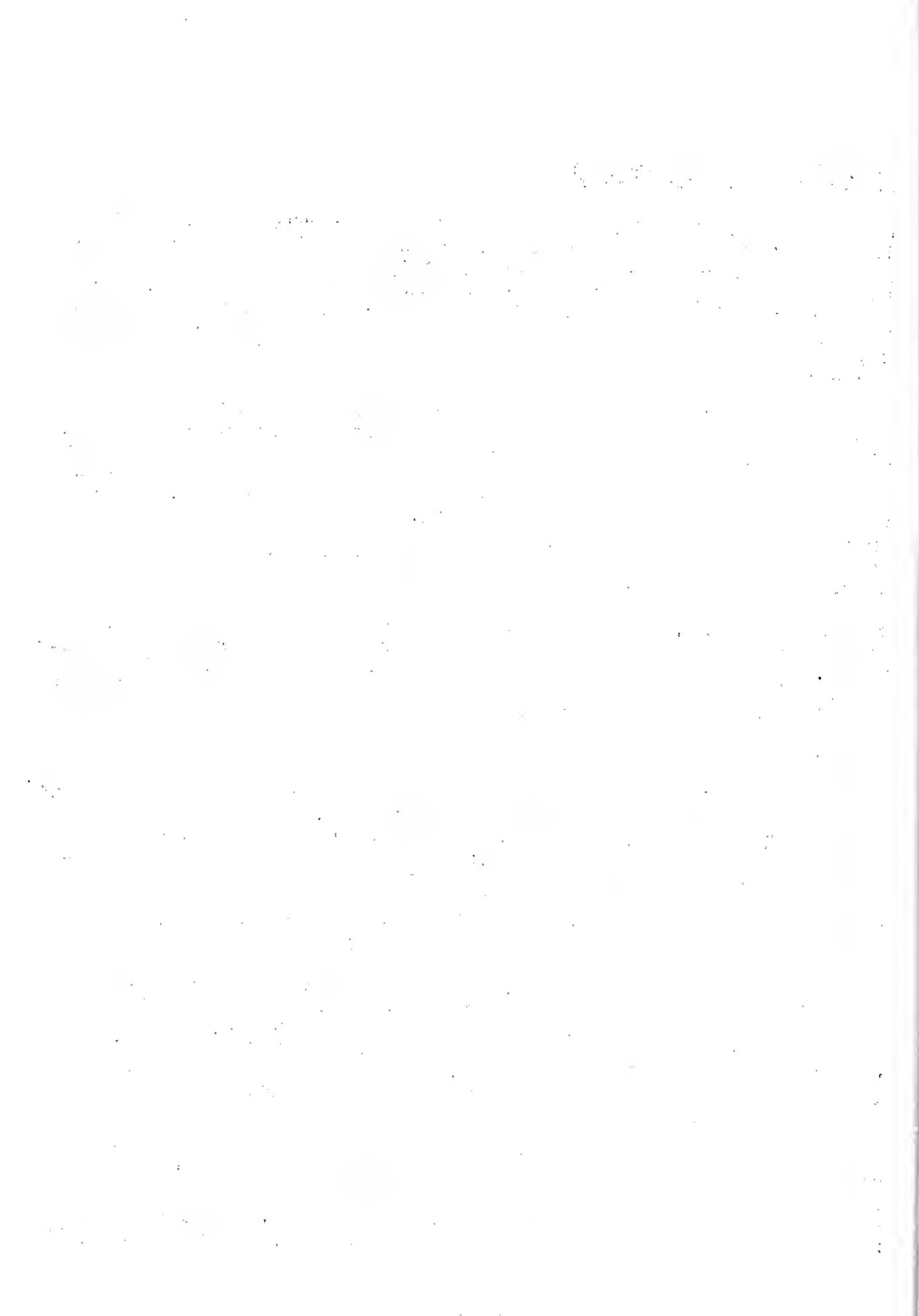
because of the inadequacy of the City Attorney's staff, in the light of the volume of work which is occasioned by the activities of these agencies. In addition to litigation and negotiation referred to above, the office, through the deputies assigned, must also check and approve all documents which the agencies prepare for the expenditure of Federal funds and write opinions to the Federal Government that these documents and contracts are in accord with Federal and State law on the subject.

As an outgrowth of the Federal statutes dealing with Urban Renewal, a vigorous campaign is being conducted in San Francisco to bring submarginal properties up to the building standards of the City. This program has resulted in a large number of matters being referred to this office wherein the owners have failed to meet the administrative orders of the Director of Public Works or the Director of Public Health. At the present time there are 160 of these matters pending in the City Attorney's office, of which 52 are being litigated. It has not been possible to assign any particular deputy or deputies to this work because of the press of other matters, and as a consequence this work is presently being done by 8 or 9 of the deputies in addition to their regular assignments. To handle all of this work adequately and efficiently, it is evident that the request of the City Attorney for six additional deputies be granted, two to keep up with the stepped-up program of Urban Renewal, and four to expedite the work of the Redevelopment Agency.

In the latter part of this year the "conflict of interest" question assumed great proportions. It is almost impossible to find any individual of stature in city government without some financial interest that would not place him in some degree of conflict. Each case takes special approach as no general law applies to all cases. Each must be decided on its own merit. The responsibility of decisions on these celebrated City Hall cases was placed on the shoulders of the City Attorney,

On October 31, 1958, there were 1,742 suits pending in this office, exclusive of the Parking Authority, Redevelopment and Urban Renewal matters and exclusive of welfare cases, Accident Commission hearings and rate proceedings before the State Public Utilities Commission. To handle all this work adequately and efficiently it is evident that the request of the City Attorney for six additional deputies be granted.

The inadequacy of the quarters in which the City Attorney and his staff must work is quite apparent upon a visit to this office. The condition of the carpet in the reception portion of the entrance way and telephone section is deplorable. This is not only not in keeping with the prestige of this office, but because of its



CITY ATTORNEY (Continued); DISTRICT ATTORNEY

ragged condition it is dangerous to the many people who have to walk over it throughout the day. If the City Attorney's budget does not provide for these repairs, supplemental funds should be appropriated to correct this situation immediately.

The working quarters are far from adequate for persons engaged in such responsible activities. Many of the deputies work in divided offices which are separated by partitions that are parallel to the window; therefore a deputy enjoying a window office must cross through another man's office to reach his own quarters. In one office, this Committee noted that there were five deputies all engaged in work in one common room, and in the same room three or four of these deputies were interviewing witnesses or discussing problems with city officials, which gives the appearance of anything but a professional attorney's office.

The clerical staff is equally ill-housed, with seven stenographers occupying space in one room, and the administrative assistant, the law clerk, the librarian and several legal stenographers occupying space in the reception room and library.

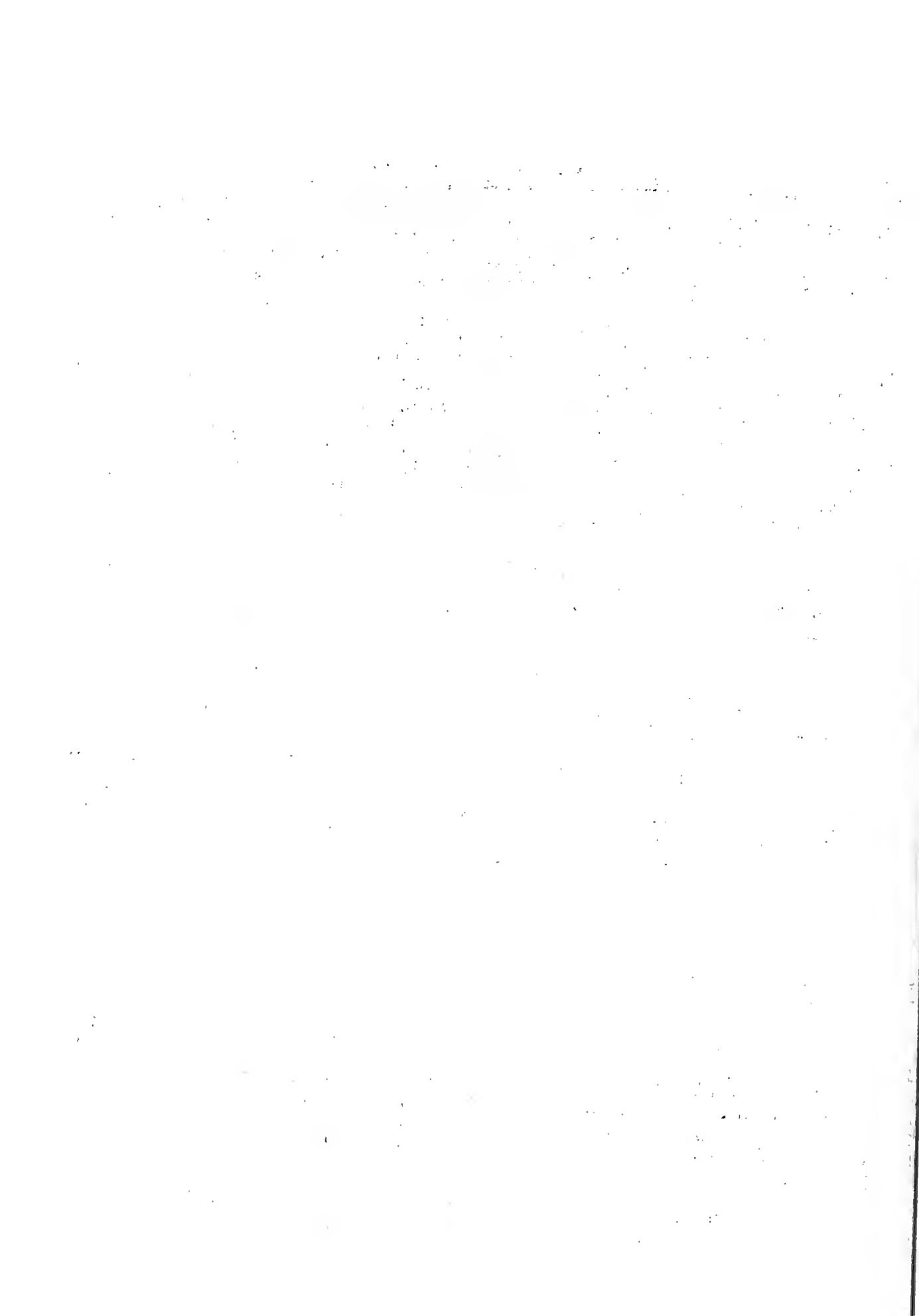
It is evident that it is quite a handicap to use the library for research with all of this activity going on. Often-times the library is full of witnesses who have no place to wait until they are called in to testify.

A possible solution on this space enigma has been suggested. If the personnel of departments located in the adjacent offices in the south corridor could be moved to other quarters, the City Attorney's offices could be extended accordingly. The feasibility of such a move should be definitely pursued.

DISTRICT ATTORNEY

A complete annual report to the Mayor is available to interested parties which relates both mechanically and statistically the activities of the District Attorney's office for the past fiscal year. From this report one realizes that although the District Attorney is primarily a prosecutor, he is also the administrator of a variety of activities connected with the welfare of the public.

During the year 1958 (through December 4), the District Attorney presented 85 cases to the Grand Jury which resulted in



DISTRICT ATTORNEY (Continued)

indictments against 133 persons. Disposition of those indicted was as follows:

Guilty	87
Fugitive.....	1
Pending	36
Atascadero State Hospital	2
Dismissed	3
Not Guilty.....	4

Among the most interesting cases presented were:

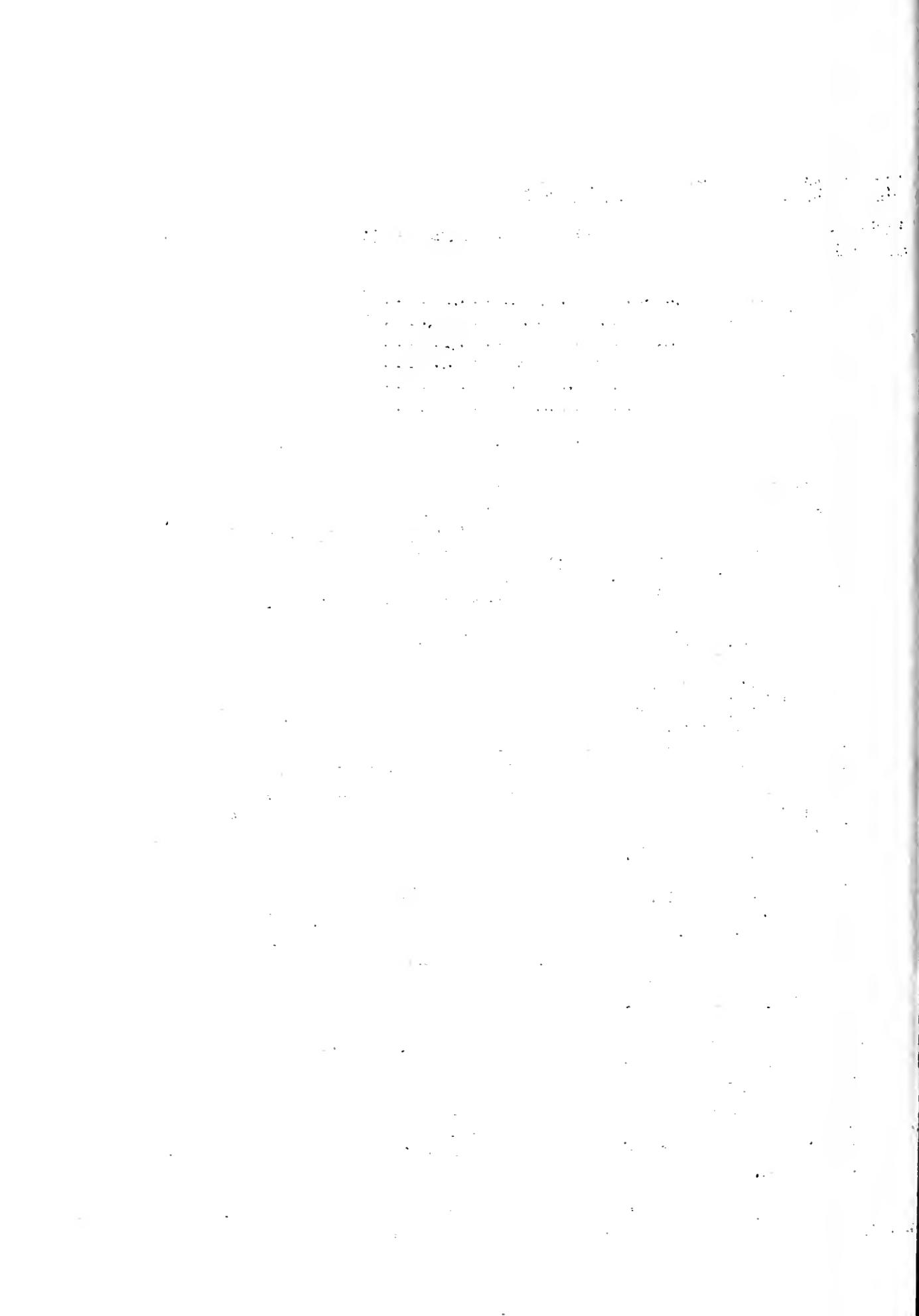
Indictment of Carl P. Scott (The Hot Stove Case) on March 27, 1958, on charges of perjury and grand theft. A jury convicted Scott of perjury, but disagreed on the grand theft charge. He was sentenced to one year in the County Jail. The case was presented to the Grand Jury by Deputy District Attorney John M. Dean.

Walter F. and Audrey D. Gertz charged with 12 counts of violating Section 26104 of the Corporate Securities law and two counts of grand theft for selling uranium stock in the Deius Ego Corporation ("I Am God" corporation) without having obtained a permit to sell stock in the State of California. As a result of the sale of the stock some 125 purchasers of stock in the Bay Area lost in excess of \$50,000. The two defendants pleaded guilty and will appear in December for sentence. The case was presented to the Grand Jury by Deputy District Attorney, John M. Dean.

Victor Swanson, Patrick Clancy, Clarence Mathews and Porter Vandewark, officials of the Operating Engineers' Union Local #3 on a number of counts of grand theft. They are presently awaiting trial. The case was presented to the Grand Jury by Deputy District Attorney Francis W. Mayer.

The much-publicized Charles Visokay, Jr., case of several Pacific Heights burglaries. Visokay confessed to committing these burglaries and in his confession named a number of receivers, which resulted in the indictments of seven of them. This case was presented to the Grand Jury by Deputy District Attorney Jack K. Berman.

This Committee wants to stress the apparent close liaison between the Police Department and the District Attorney's office.



DISTRICT ATTORNEY (Continued)

A harmonious and cooperative accord exists amongst them which has not always been existent. The District Attorney is now being furnished with complete reports by the Police Department on all their activities that are of any conceivable value.

The District Attorney is being seriously hampered in his prosecutions (principally in narcotic cases) on account of the recent State Supreme Court decisions on the "Disclosure of Identity of Informants". In the past when an arrest was made as a result of information from an informant, the informant's name did not have to be revealed, but now, based on Supreme Court decisions, if a defendant wishes it the name of the informant must be revealed if the informant was principally responsible for the arrest.

Since narcotics are the root of most violent crimes, and narcotic arrests result principally on information from informants, this requisite seriously obstructs the prosecution of these cases, as the District Attorney is forced to dismiss some cases as he feels that he cannot morally reveal names of informants which information is given him in confidence. Furthermore, if the names of informants are revealed, this source is cut off for the future, and also endangers the life of the informant.

This Committee recommends that at the coming session of the Legislature, legislation be effected as an aid to law enforcement to the effect that the names of informants not be revealed with particular reference to narcotic arrests.

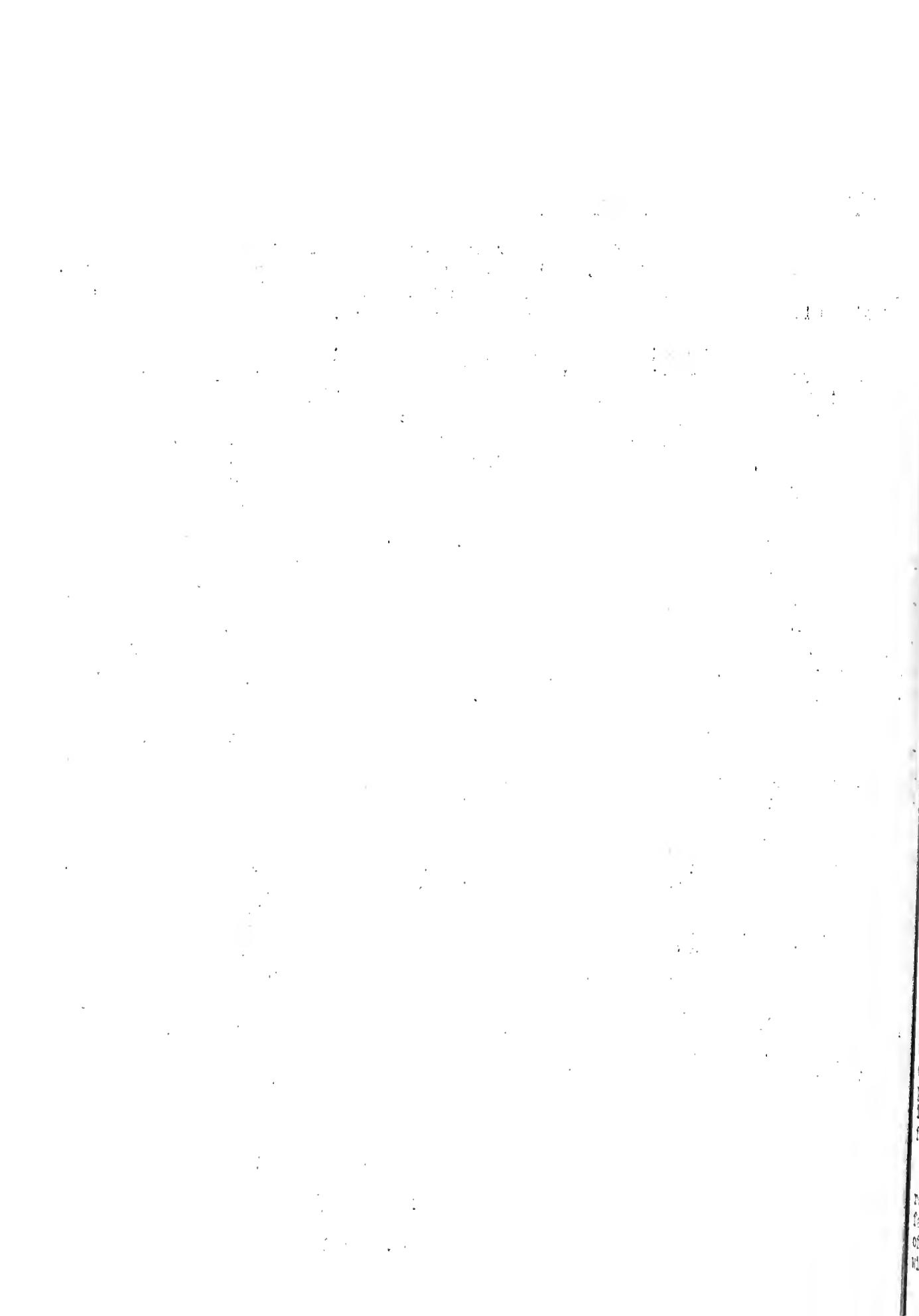
Today our City boasts a very efficient and nationally recognized District Attorney's office. The reorganization of this office and the bringing of it to its present stature was initiated when Governor-elect Edmund G. Brown took over as district attorney back in 1944. His policies have been fostered and further enhanced by intelligent and competent men such as our present District Attorney Thomas C. Lynch and his Chief Assistant Norman Elkington.

This Committee wishes to express its sincere appreciation to Mr. Lynch and Mr. Elkington for the competent and interesting manner in which they presented cases to the Grand Jury, and for their helpful advice and guidance throughout the year.

WILLIAM E. BERELSON, Chairman

WILLIAM J. RAFFETTO, JR.

EARL S. LOUIE



THE HOUSING AUTHORITY

The San Francisco Housing Authority is responsible for planning, financing, constructing and operating the low rent public housing projects in San Francisco.

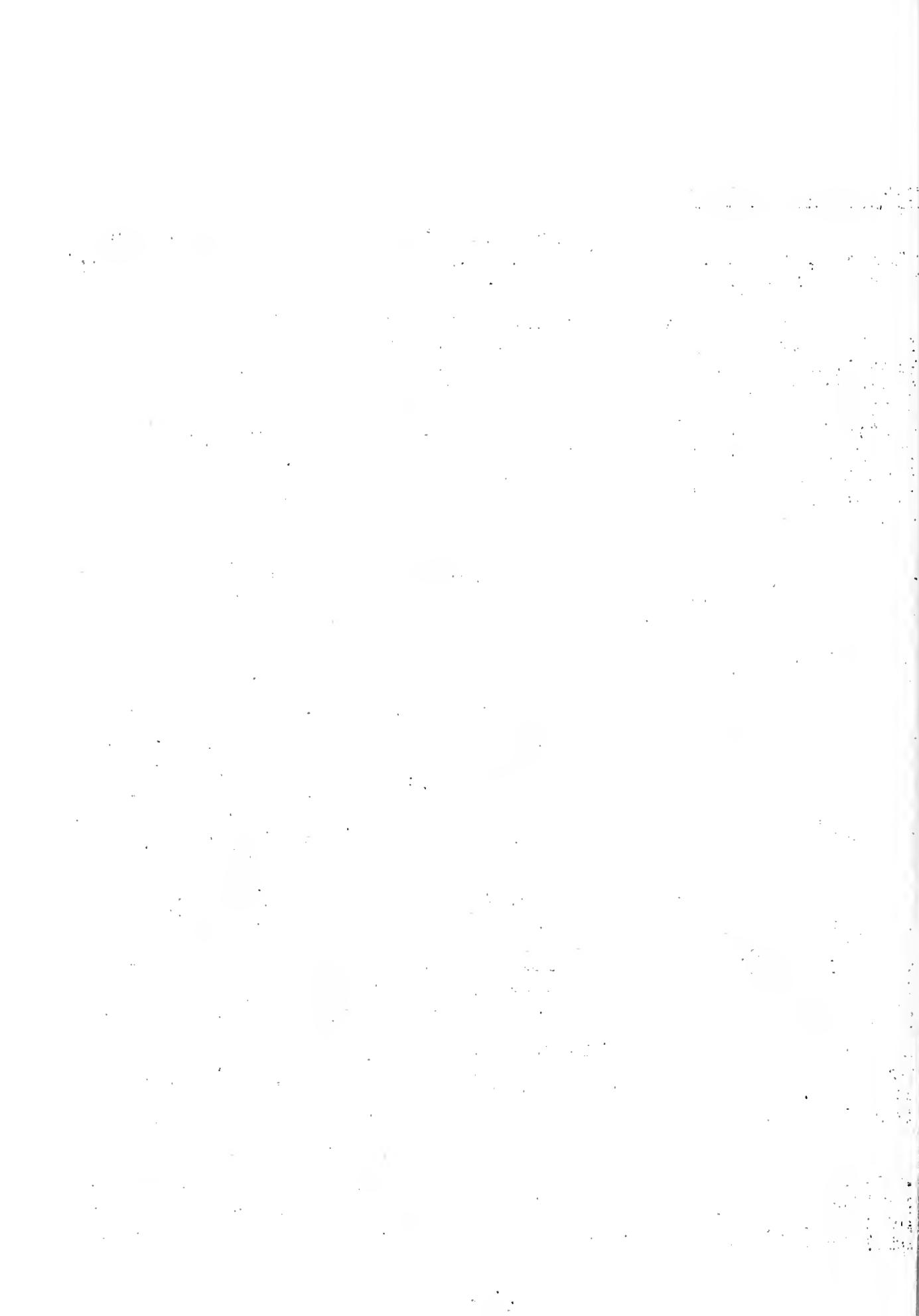
In this field they have established a national reputation for high integrity and accomplishment. Such completed projects as Ping Yuen in Chinatown, North Beach Place in North Beach and Yerba Buena in blighted Western Addition are already a tribute to their activity. However, these with the other completed programs only partially fulfill San Francisco's needs for low rental housing. The year, 1958, has been a particularly active one for the San Francisco Housing Authority in planning and securing Public Housing Authority approval on new projects -- some of which involve quite new concepts.

For the first time in the history of low rent housing in San Francisco, special provisions for housing single aging persons, as permitted by new Federal Legislation will be made at Ping Yuen Annex - Yerba Buena Annex and Hayes Valley Annex on which construction will start in 1959. These apartments will have built-in features to more suitably meet the needs of Senior Citizens.

In the new Ping Yuen Annex, the Architect has conceived a Moon Gate and lovely garden that should make the project a show place in the West. However, these features exceed Federal limitations for minimum cost low rent housing. It is suggested that the \$50,000 cost for this and other amenities carrying out the Chinese Motif might be raised by Private Subscription. This Grand Jury is hopeful that these necessary funds can be raised as this esthetic embellishment will be a favorable added attraction for the city.

The Housing Authority, like all other public bodies, does not pay taxes -- but, it is unique among public bodies that it does make payments to San Francisco, based on 10% of the shelter rent taken in (excluding the utilities). The anticipated payment for 1958 is expected to be around \$186,500 which represents a considerably greater return to the City in the form of payment than it would have received from taxes on the original properties situated on those sites. As an illustration, the properties located on the present site of the Yerba Buena Project paid approximately \$17,917 in taxes, whereas the City will receive from the Housing Authority for the current year approximately \$25,066, nearly 50% more.

There are now 1900 families on the Waiting List for low rent apartments, and the Redevelopment Program will add many more families to this list. The State Law provides mandatory demolition of temporary housing; this means that approximately 2700 apartments will have to be vacated in 1961 and demolished by October, 1962.



THE HOUSING AUTHORITY (continued)

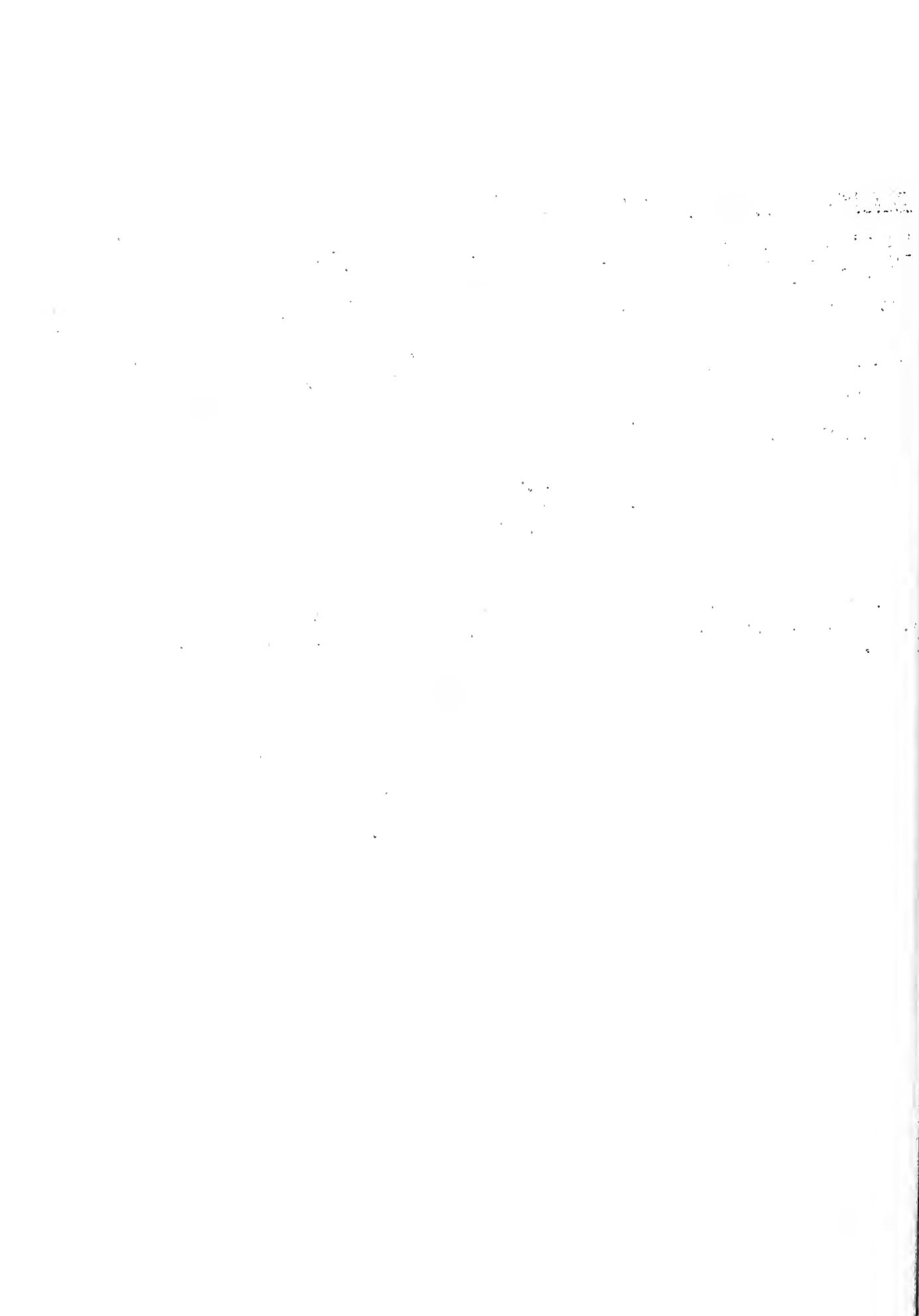
In view of this demand for housing, this Committee concurs that the 1959 Legislature should be requested to amend the law to require that the temporary housing be demolished at such time as the local governing body determines, and to eliminate the arbitrary 1962 date.

The Committee wholeheartedly concurs that this Report should not be concluded without a word of justly merited praise for the very sincere efforts and resultant accomplishments which can be attributed to the capabilities and painstaking work of the five Commissioners:-

CHARLES J. JUNG, Chairman
A. F. MAILLOUX
CHARLES L. CONLAN
JEFFERSON A. BEAVER
JACOB SHEMANO

And, the very able administrators in the persons of Mr. John Beard, Secretary - Executive Director and the Deputy Director, Mr. Arthur Long.

WILLIAM E. BERELSON, Chairman
HECTOR J. GIUNTINI, JR.
CONRAD J. GRIEDER
MILLARD S. BURY



HEALTH DEPARTMENT; HOSPITALS, LAGUNA HONDA HOME, HASSLER HEALTH HOME

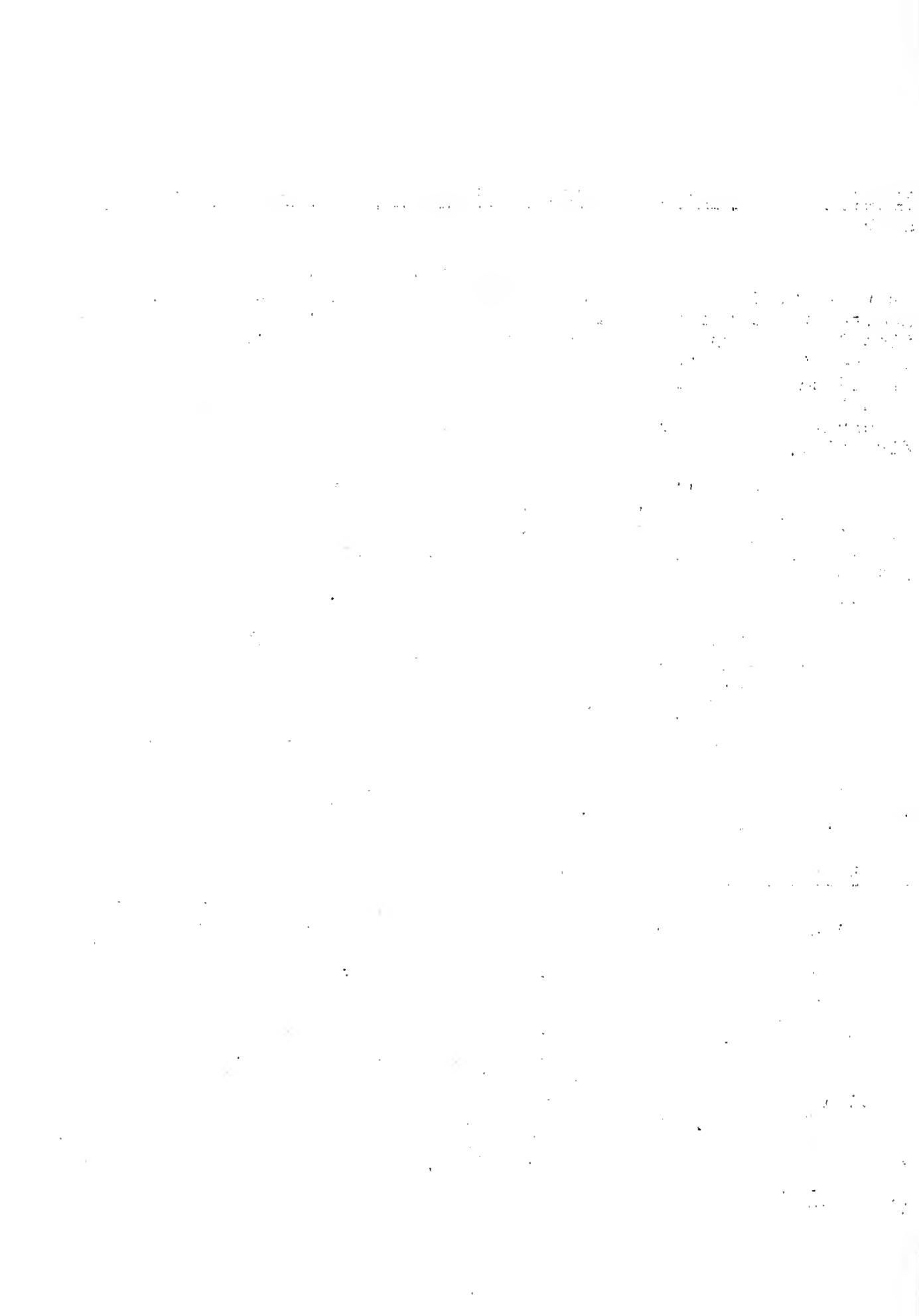
One of the most important functions of city government is to serve its citizens with a well coordinated and efficient health organization. All other city services and communal activities depend upon the physical and social health of the community. The requirements thus made upon the Health Department as the body of medical knowledge expands are truly staggering. To do less than the best is short-sighted and inhuman; to do the best requires an array of services that are complex in their administration and financing.

A committee such as this can discharge its responsibility to the city for investigating the operations of the Health Department by doing as we did: well-spaced visits throughout the year to the various institutions in the Health Department, attendance at related conferences and committee meetings and many informal discussions with the various directors and staff.

It remains, however, a pro tem lay committee with no professional background and no permanent responsibility and too little time to assimilate thoroughly all the data that would comprise a professional study of this complicated subject. While we disclaim, then, any scientifically proven basis for this report, this is not to say that such a report as follows is to be dismissed. We feel that we have investigated and studied the problems of the Health Department to the limit of our responsibilities and that the results of these studies indicate the need for long-term planning for the city's future health needs.

San Francisco General Hospital

This committee has visited the hospital many times and has discussed its problems and difficulties with various members of the staff. At present it is very difficult to make a constructive evaluation of the improvements which are currently under way. Approximately 50% of the \$5,800,000 bond issue has been spent on the remodelling which will require at least another three years for completion. The reconstruction of facilities currently in use for the normal patient load has inevitably brought much confusion into the functioning of the hospital. However, even though this condition still prevails, certain improvements can already be noted. Much, if not all, of the over-crowding has been eliminated and general improvement in services is being felt throughout the organization. This relief from over-crowding, plus many other intangible reasons, has resulted in a fine new spirit and high morale among the hospital personnel.



HEALTH DEPARTMENT (ccntinued)

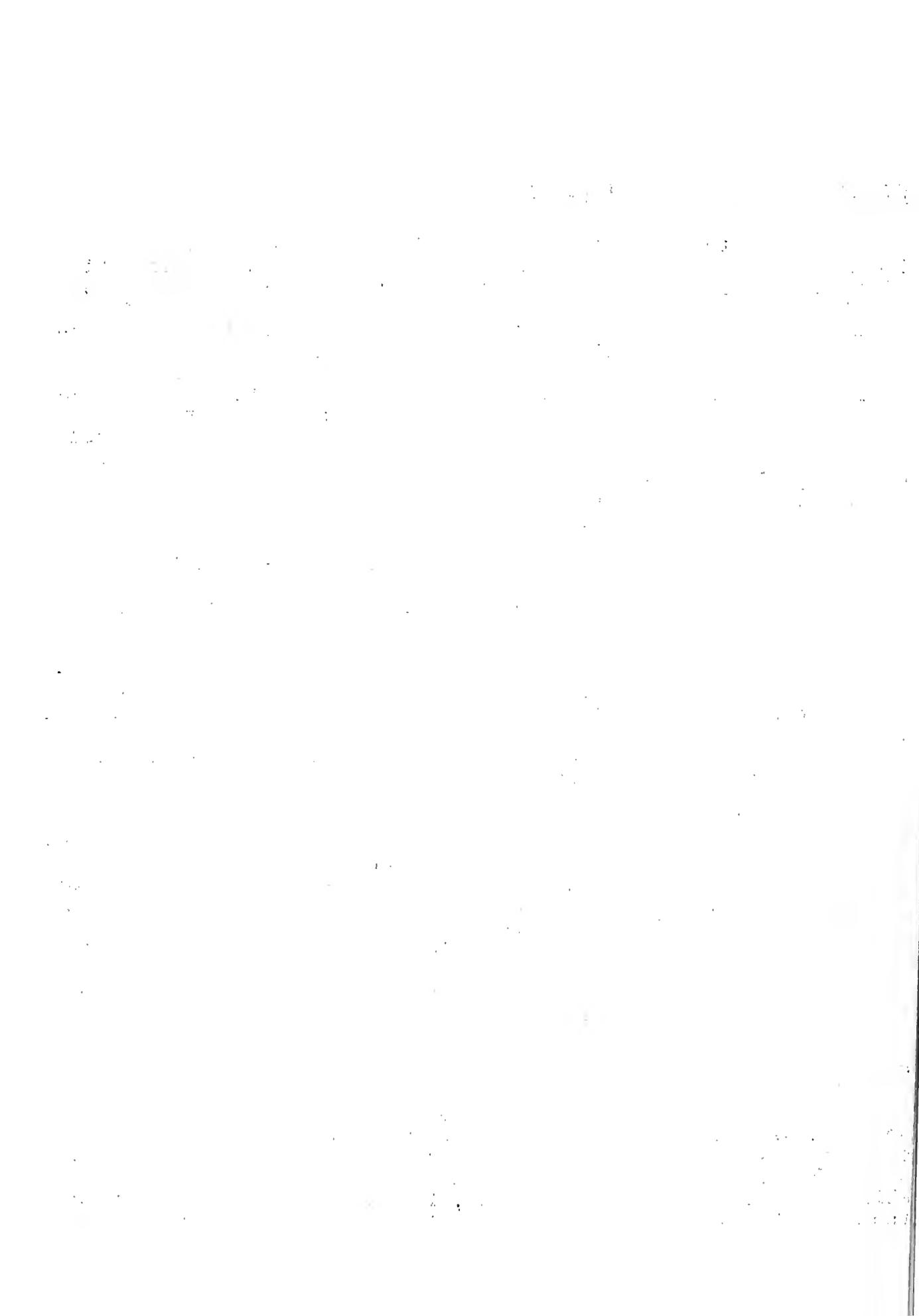
But the completion of the building program will still leave many problems yet to be solved. The expansion and renovation of the hospital will improve services to the extent that they can be affected by an improved physical plant. But the San Francisco General Hospital suffers from personnel problems related to the administration of the Civil Service program. This problem is best illustrated by the acute need for well-trained clerical help to assist the registered nurses. The shortage of nursing staff, which is a problem common to most hospitals today, demands that nurses be relieved of those clerical duties which can be safely delegated to trained clerical personnel. This has become accepted medical practice. The adoption of such a plan at San Francisco General Hospital, however, is unnecessarily impeded by the rigid procedural routines of the city's Civil Service administration.

Previous Grand Juries have recommended changes in the present procedure which will permit the city to recruit and retain qualified professional and technical personnel. This Grand Jury adds the weight of its recommendation to the constantly repeated request that the Civil Service requirements giving the appointing authority no choice beyond the person at the top of the Civil Service list be changed to permit the choice of any one of the top three applicants. If this Charter provision cannot be revised, then it is suggested that the hospital contract with the two universities for the hiring and placement of clerical and technical personnel in order to assure a top quality staff.

It is also recommended by this committee that the budget for the Hospital be given a more realistic evaluation. The constant replacement of obsolete and inadequate equipment is of paramount importance to the efficient functioning of a great teaching hospital. The list of replacement needs is lengthy and discouraging and covers almost every item of basic hospital equipment from bed linens to operating tables. A review of the financial report of the Health Department discloses a revealing comment at the end of every subdivision analysis: 1957-1958 BUDGET ALLOWANCE PROVED TO BE INADEQUATE FOR NORMAL PROGRAMS.

Hassler Health Home

The occupancy of Hassler Health Home has shown a gradual decrease over the last few years, but it is still necessary to operate this facility until such time as the total remodelling program at San Francisco General Hospital is completed. At that time, which will be about two years hence, it will be possible to absorb the remaining patient load of Hassler's into the General Hospital.



HEALTH DEPARTMENT (continued)

During the interim period, the city will have to make a decision as to the ultimate function of Hassler Health Home -- whether to use it as a nursing home for the chronically ill, or as a rehabilitation center, or to sell it. Such a study as is required must take into account the deficit of nursing homes and convalescent homes in San Francisco.

This committee feels that as long as Hassler Health Home is being operated as a tuberculosis treatment center, the occupational therapy services must be improved, and some opportunity offered for a simple social program. A central social area could easily be furnished to provide a meeting place for such a program, which is not available now.

City Physicians Service

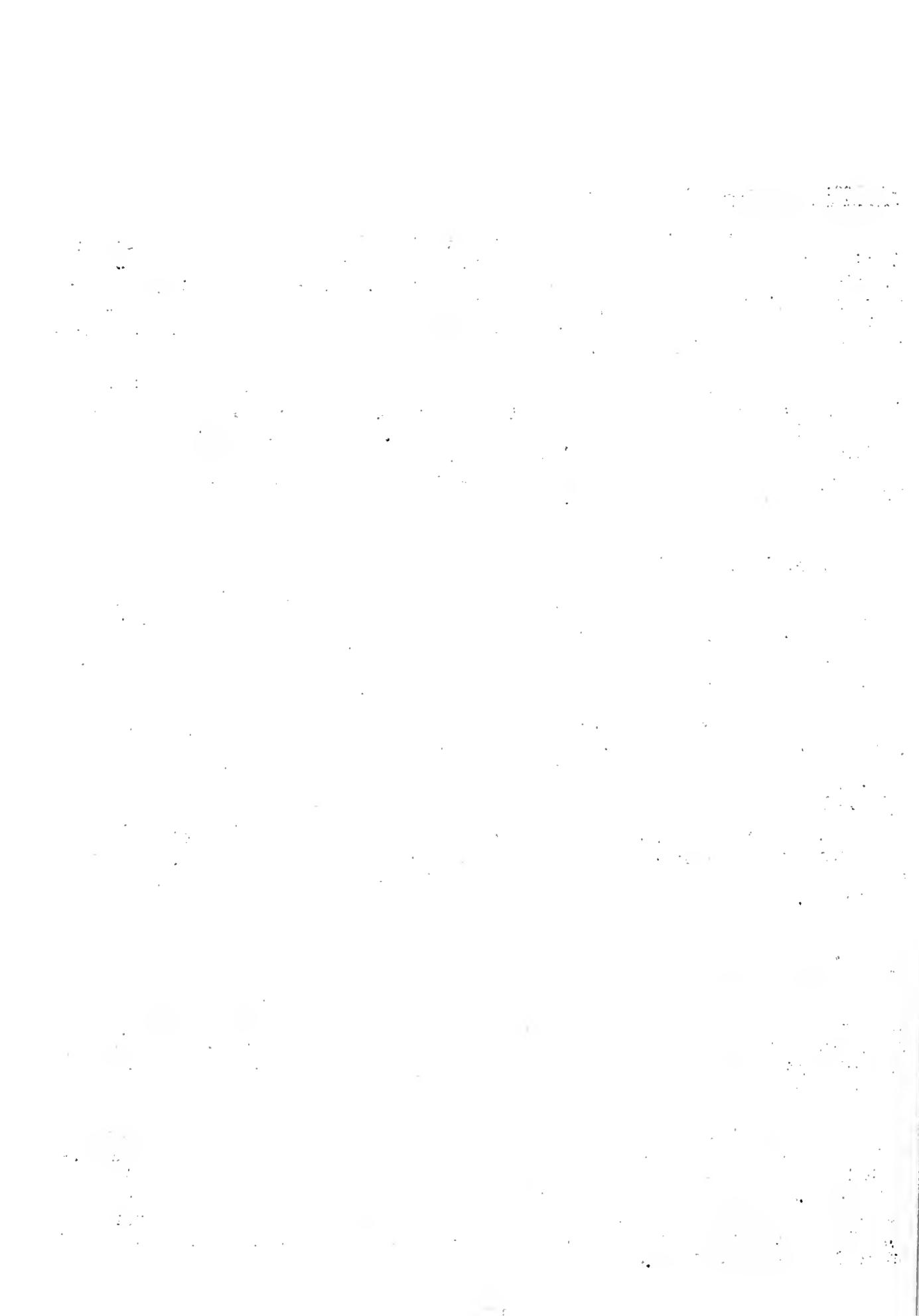
Although the committee has not had an opportunity to go into the details of the operation of the City Physicians Service, it is believed that there is much room for improvement, both as to the quality and the quantity of services provided to the indigent sick by this group of part-time physicians.

We have been informed that the Department has under consideration a plan to utilize resident physicians in training at San Francisco General Hospital for this service. It is recommended that the Department expedite a re-evaluation of this program to the end that eligible patients may receive necessary medical care, and that this service can be better correlated with the inpatient and the outpatient services at San Francisco General Hospital, and with other sources of medical care available through other community agencies.

Laguna Honda Home

As of the August, 1959 completion date of the remodelling projects under the bond issue, the composition of the Laguna Honda Home will be changed. It will then be a hospital of 1,250 beds for the chronically ill, rather than a home for the aged, although 795 ambulatory beds will be retained.

In reviewing the Laguna Honda Home population figures, the committee would like to put major emphasis on the plainly indicated need for a detailed survey of San Francisco's indigent ill and aged. Although the new facilities at Laguna Honda Home and San Francisco General Hospital add up to a staggering total of over 3,000 beds, the waiting list can and will absorb the increase within a few months time.



HEALTH DEPARTMENT (continued)

It seems obvious that thought must be given to other alternatives if we are not to continue to build larger and larger institutions at greater and greater cost to care for the chronically ill and aged.

Public Health Centers

The city's nine neighborhood centers extend to the people of San Francisco extremely valuable preventive medical services in a multi-faceted program which includes: Immunization, pre-natal and post-natal care, parents' classes, school nursing, and a communicable disease control program.

In at least three areas the program is hampered by most inadequate buildings, and plans should be vigorously pushed for permanent health centers for Eureka-Noe, Westside, and Marina-Richmond.

This committee feels that much of the splendid programming of the medical and public health nursing services is not sufficiently utilized by those needing these services. Those aspects of the program which need publicizing in order to educate the public on the services offered could benefit from the use of radio or TV "spots" and "take-home" notices from schools to parents.

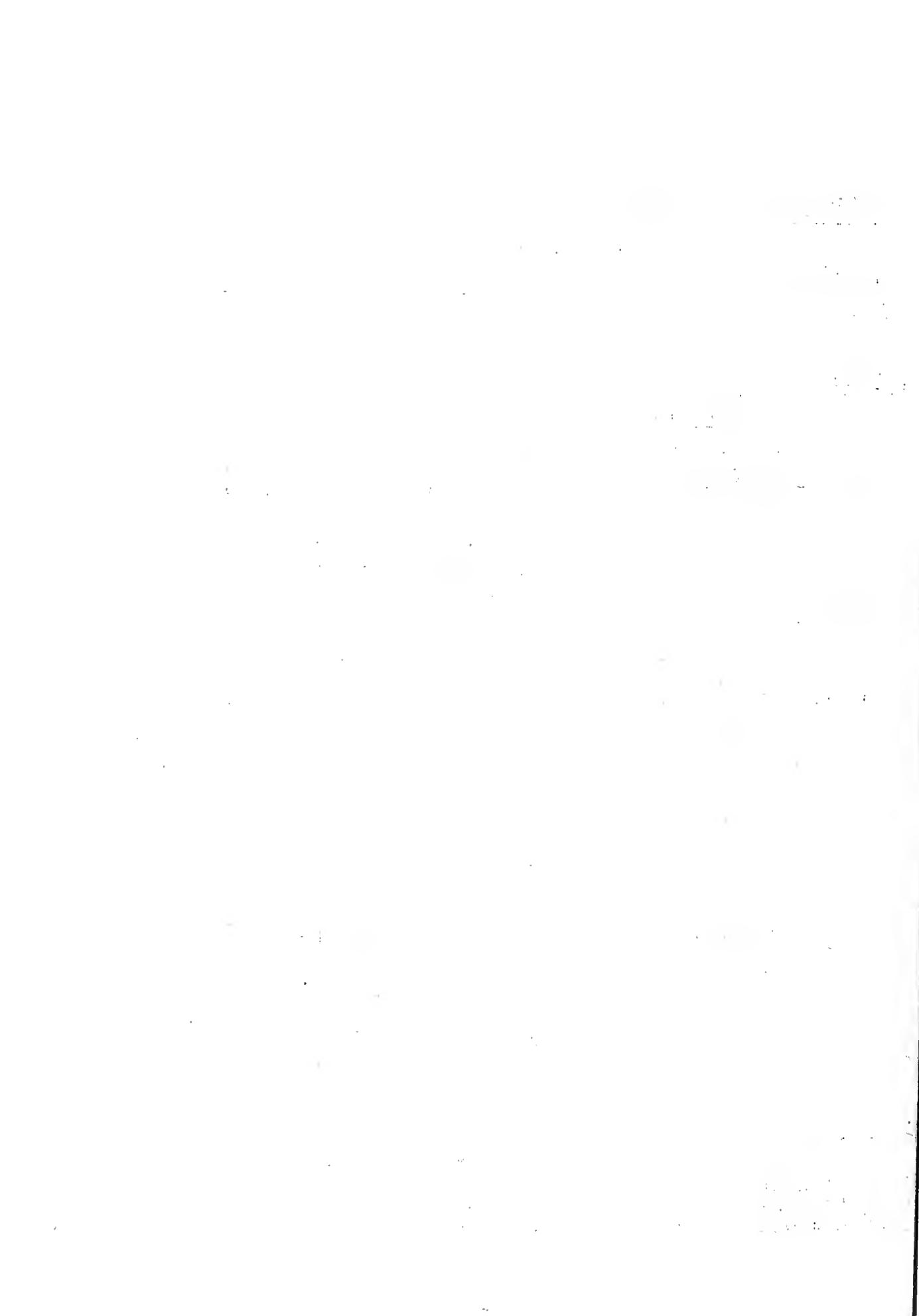
Emergency Hospital Service

The Emergency Hospitals provide essential emergency care to the people of San Francisco.

Studies are in progress concerning the feasibility of establishing a fee system for the purpose of securing reimbursements from the people able to pay for such care. In view of the long and excellent history of this service in San Francisco, careful thought must be given to the effect of such a policy. Quick and efficient emergency service can reduce disability and prevent death in both medical and surgical emergencies.

Conclusion

At the beginning of this report we noted briefly the need for a long-term medical plan, coupled with a realistic budget to meet the growing demands on our health dollar. We recommend that such a "look ahead" study include the following subjects for review:



HEALTH DEPARTMENT (continued)

1. Rehabilitative services, including Home Care vs. Long-Term Institutional Care

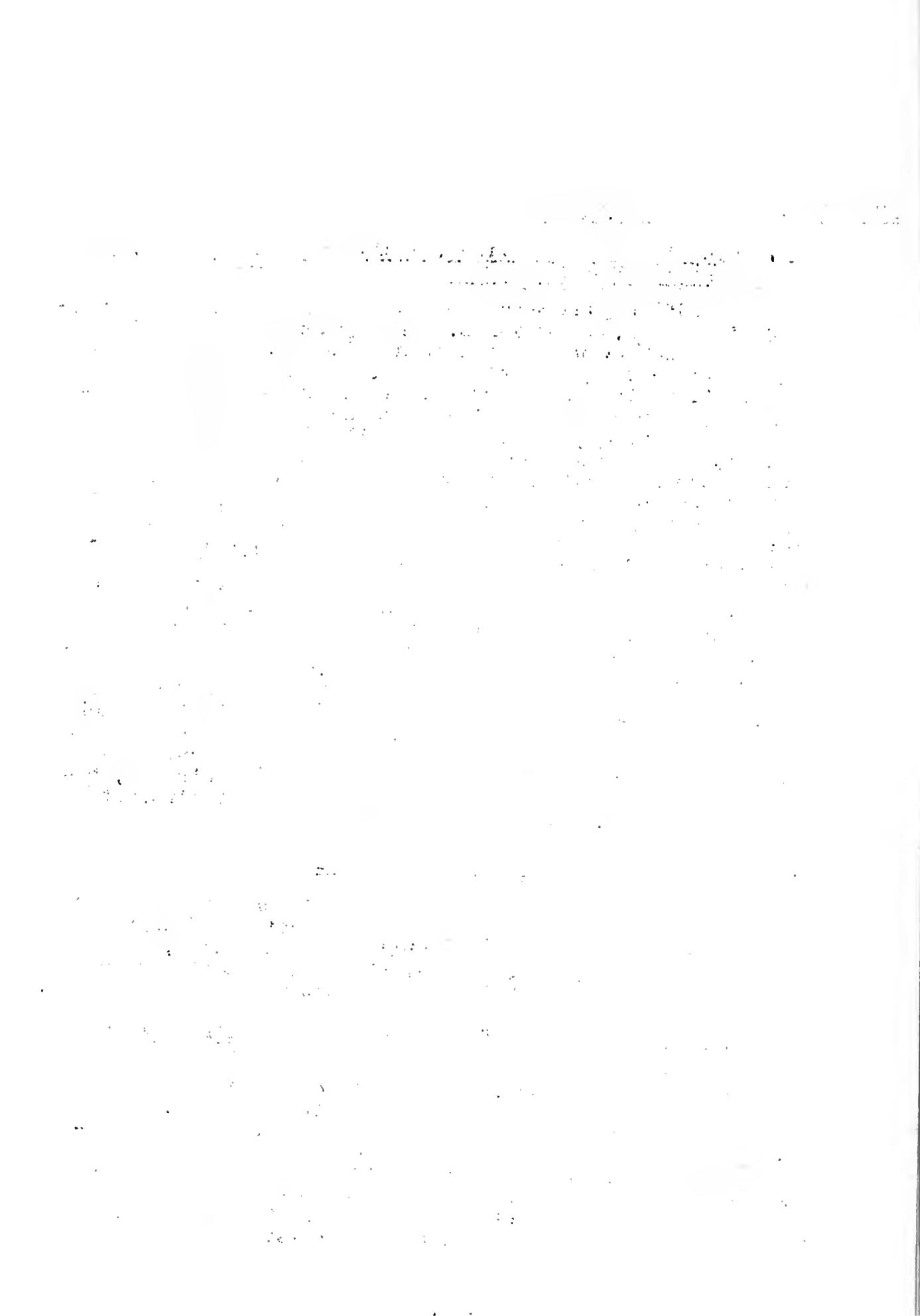
By 1959 Laguna Honda Home will be able to care for approximately 2,000 patients. The 9½% of our population which is now over 65 years of age (a figure which is 1½% above the national average), will have increased to 15% by 1980. This group currently is absorbing a disproportionate share of our medical expense: 16% to 18% of all medical services, 80% to 90% of all chronic nursing beds; and it accounts for 50% of all long-term illness. It will require a different concept of medical care for this group, one more consonant with modern medical rehabilitative theory and with the economic necessities of this growing problem, if we are to avoid the ballooning construction and operational costs of more and more institutions which are merely custodial in character and purpose. We suggest that a sound home medical care program is a solution for a major portion of this problem. It avoids the new construction costs, operates more economically, and, we believe, if it is medically sound it can bring about a greater degree of rehabilitation for that portion of the chronically ill and aged population which can be cared for at home. Home care, and also housekeeping services, would relieve pressure on both acute and chronic hospital beds, freeing them for patients who, because of the nature of their illness or their circumstances, require institutional care.

2. The Future of Hassler Health Home

Although there are two large and important disadvantages to Hassler Health Home, i.e., it is located out of the county and inaccessible by public transportation, and it is not a fireproof structure, nevertheless it has enormous possibilities as a rehabilitation center or a nursing home.

3. The Establishment of a New Outpatient Clinic at San Francisco General Hospital

In the near future, the outpatient clinics at both Stanford Hospital and Mary's Help will be closed. This large group of indigent ill will have to be served elsewhere, and presents an imminent problem to the Health Department. Should the city build a new outpatient department at San Francisco General Hospital, or can it be shown to be more practical and economical to contract out this service to other existing hospitals?



HEALTH DEPARTMENT (continued)

4. Status of San Francisco General Hospital and the Universities

It is now established that by 1960 Stanford will no longer participate in the operation and teaching program of San Francisco General Hospital. It is imperative that the city establish a well-defined relationship with the University of California School of Medicine, not only as to duties and obligations, but also as to the actual financial responsibilities of each.

5. Population Survey

With the new growth and development in San Francisco, it is timely that a population study be made in order to determine which areas have a need for expanded Public Health Centers. Only in this way can adequate services be provided in those congested areas where they are so valuable and necessary.

6. General Remarks

The committee reiterates the need for realistic budgeting in the Health Department. Anticipating and planning for the health needs of our city requires more than provisions for a static payroll. Lack of planning and appropriation for replacement, repair and maintenance of present equipment and plants can only lead to expensive, uneconomic re-building programs, financed by the inevitable bond issues.

We are confident that through the new leadership now directing this department of our city government, careful, intelligent and dynamic policies will be established.

GERTRUDE G. LEVISON, Chairman

THORNTON J. CORWIN, JR.

ROY J. SCOLA

MILLARD S. BURY



CIVIL SERVICE COMMISSION

The members of the Civil Service Committee of the Grand Jury visited the offices of the Civil Service Commission several times during the year and reviewed the operations of the Commission with Mr. William L. Henderson, Personnel Director and Secretary, and Mr. Harry Albert, Assistant Personnel Director.

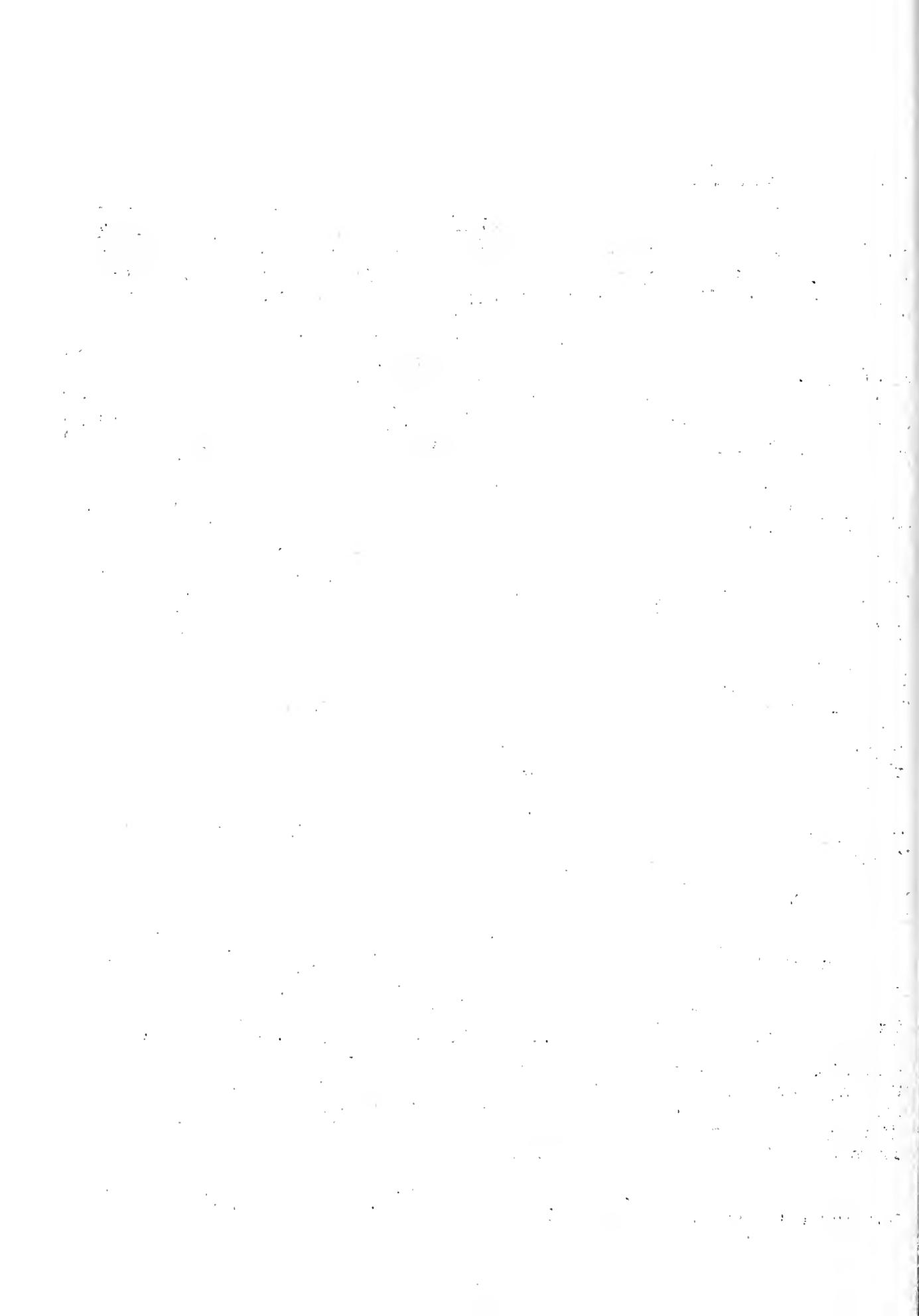
The staff of the Civil Service Commission, 52 permanent employees, perform the important technical and detailed work of this personnel department for some 16,800 permanent employees in the City and County service. (This figure does not include the approximately 3,600 certificated employees of the Unified School District who are not subject to Civil Service Commission jurisdiction.)

During the year Mr. Henderson retired from the position which he had held for some 20 years. Prior to his retirement Mr. Henderson submitted to the Civil Service Commission a detailed and lengthy report dealing with the problems and inequities of salary and wage administration in the City and County service. This report in a conclusive manner pointed up the defects of current Charter provisions regulating salary and wage administration which have brought the salary and wage picture in the City and County service to near chaos. Mr. Henderson made several recommendations for correction which would of necessity involve amendment of the Charter. Your current Grand Jury Committee has carefully studied this report, commends it to the Grand Jury as a whole, and recommends that this report be used as a base to begin the difficult task of correcting the salary administration situation in the City and County service.

Aside from the salary and wage problem, your Committee was impressed with the necessity of freeing civil service administration from the hampering restrictions imposed by Charter provisions. Following are brief statements of some of the more important Charter restrictions:

The certification of one name from the eligible list to the appointing officer without allowing him any freedom of choice. In most jurisdictions throughout the United States at least three names are certified to the appointing officer and the modern trend is to extend this number. This certification of more than one name gives the appointing officer the opportunity to interview the eligibles, to check their records and to select the one who most nearly fits his particular need. It must be borne in mind that examination techniques are not so accurate that they can validly distinguish between the eligibles who are only a few points apart in their final examination scores.

An employee, during the probationary period in a promotional position has the right to a public hearing before the



CIVIL SERVICE COMMISSION (continued)

Civil Service Commission, should his probationary appointment be terminated. In effect this means that the probationary promotional appointee has greater protection than the permanent employee who has completed his probationary period.

In promotional examinations in the Police and Fire Departments, the Charter requires a heavy weight for seniority to the extent that younger capable men are unable to successfully compete in such promotional examinations. Further, the Civil Service Commission is prohibited from using oral examinations to appraise the capabilities of the candidates to carry on supervisory and administrative responsibilities.

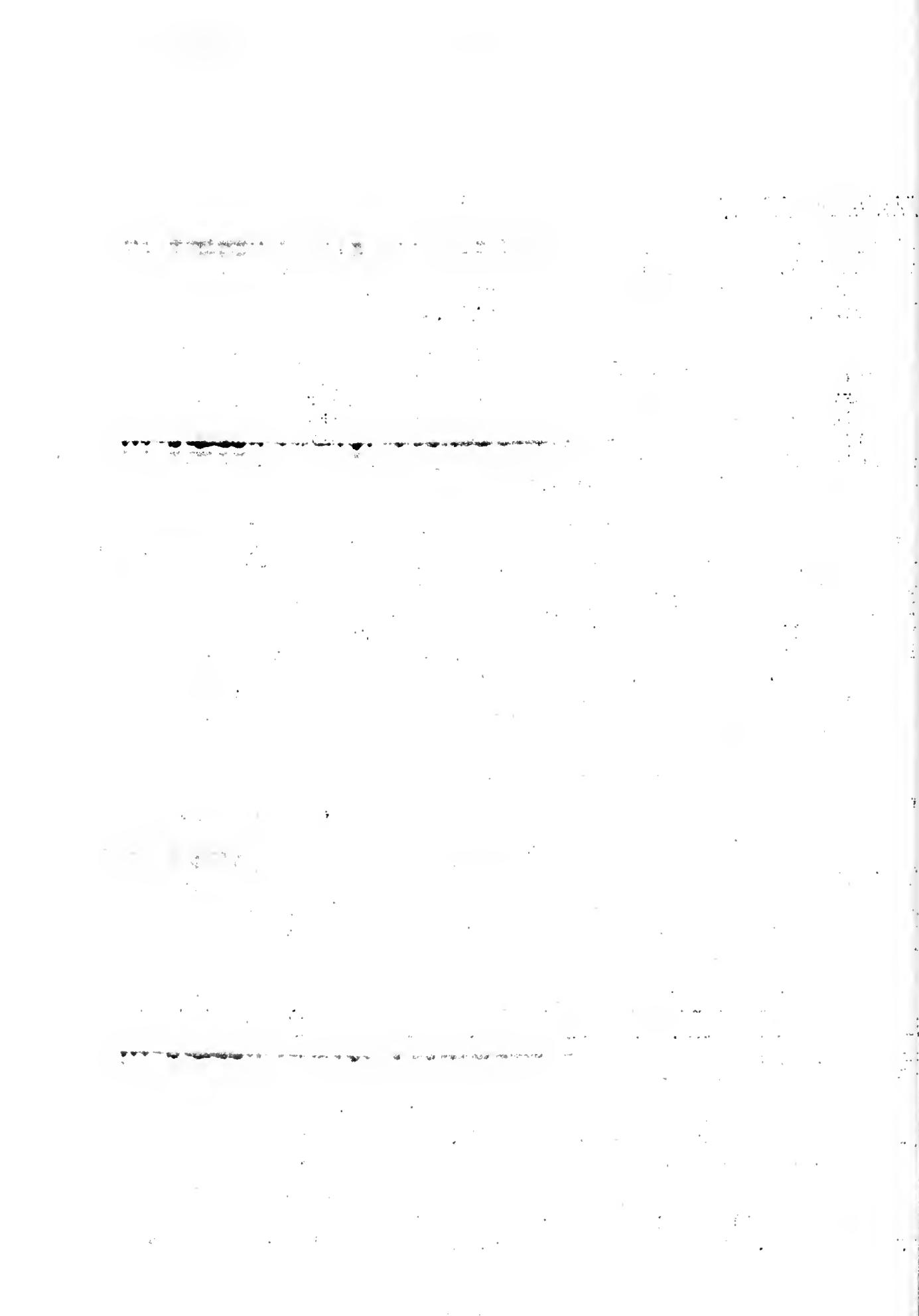
The Charter permits the copying of examination questions after an examination is held. There are many good reasons why the Commission should be permitted to maintain the confidentiality of examination material. The most important of these reasons are the inability of the Commission to improve its examination material; the inability of the Commission to use standardized tests; and the increased costs of preparing new examination material for every examination. The Commission recognizes that though examination questions should be kept in confidence, at the same time, the right of examination candidates to inspect their papers and to protest examination items must be protected.

Your Committee also noted that there has been no general review of the classification system since 1928. The classification section of the Commission is continuously engaged in auditing individual positions where requests for review have been filed, or where new positions are being established, but this work does not uncover the inequities that have developed through natural growth and change. There would seem to be no question but that the time is long past when a general overhaul of the classification system should be made.

Your Committee recommends that there be a general review and revision of the Charter provisions dealing with civil service and that there be a general classification survey made of the City and County service.

Your Committee has on several occasions interviewed prospective members of Civil Service, and found both Mr. Henderson and Mr. Albert very cooperative and enlightening.

While this report was written, Mr. Grubb has been appointed Civil Service Director, and his report has been received by the Mayor. We have not had time to judge this, and will leave



CIVIL SERVICE COMMISSION (continued); CITY PLANNING

it in the hands of the 1959 Grand Jury.

CITY PLANNING

Your Committee has been very active with this Commission and its Director - first with Mr. Opperman and then with Mr. McCarthy. We also have met with the entire Commission.

We have gone over its problems. First of all, we will say that the Commission itself is very able and they are a fine cross-section of the men and women of this City.

This Commission feels that with a substantial budget, when it will be able to hire some experts, such as a statistician and an economist, they will be doing a real civic duty and be able to add more property to the tax rolls thereby making money for the City. Their budget for 1958-1959 was only \$218,000 which your Committee feels is far too low for such a tremendous enterprise.

After discussing these problems, your Committee makes the following recommendations:

1. A capital budget and a program of capital improvement priorities should be established.

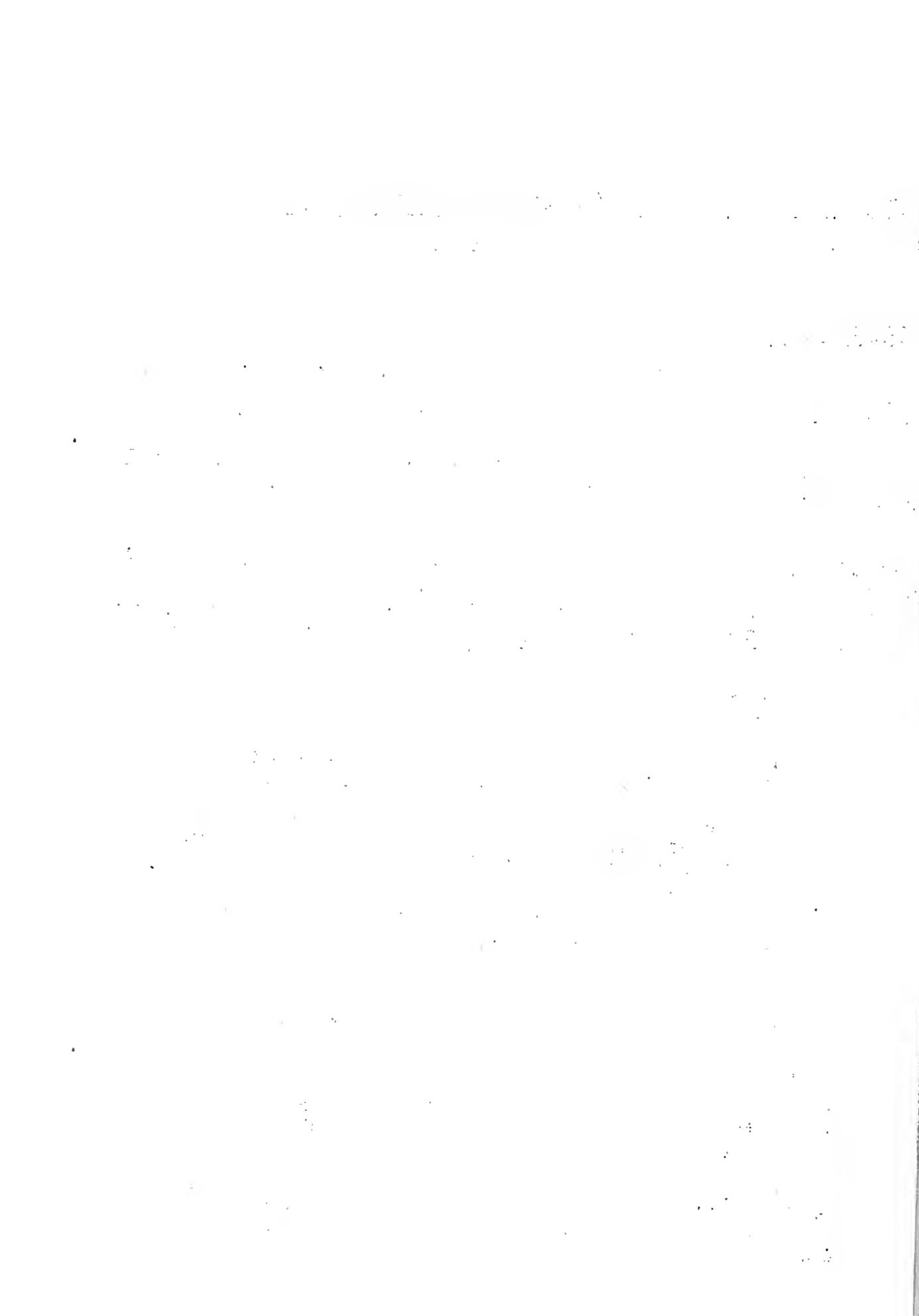
2. A regional approach should be used for many problems, including rapid transit, freeways and other transportation problems, including air transportation.

A regional approach should also be used for recreation, regional planning, and other problems which affect the entire Bay Area. A Bay Area Planning District would be one method of improving the present situation.

3. Adoption of a new Zoning Ordinance is of major importance.

4. The importance of economic value of redevelopment in the form of increased tax receipts for the City and County of San Francisco should be emphasized.

5. An adequate staff and budget for the Department of City Planning so that the more important elements of the Department's work program can be implemented.



CITY PLANNING (continued); ART COMMISSION

Your Committee, gladly, has this to say about the Commission: that it is efficient, courageous and hardworking.

ART COMMISSION

Our Committee met with the Director of the Art Commission and find that considering the small amount of money that they have to work with, they are doing an excellent job.

Listed below you will find their 1958-1959 Budget which in our opinion is rather small when you consider that they subsidize the symphony concerts \$100,000.00:

RESOLUTION NO. 6990-1958-S

1958-1959 ANNUAL BUDGET

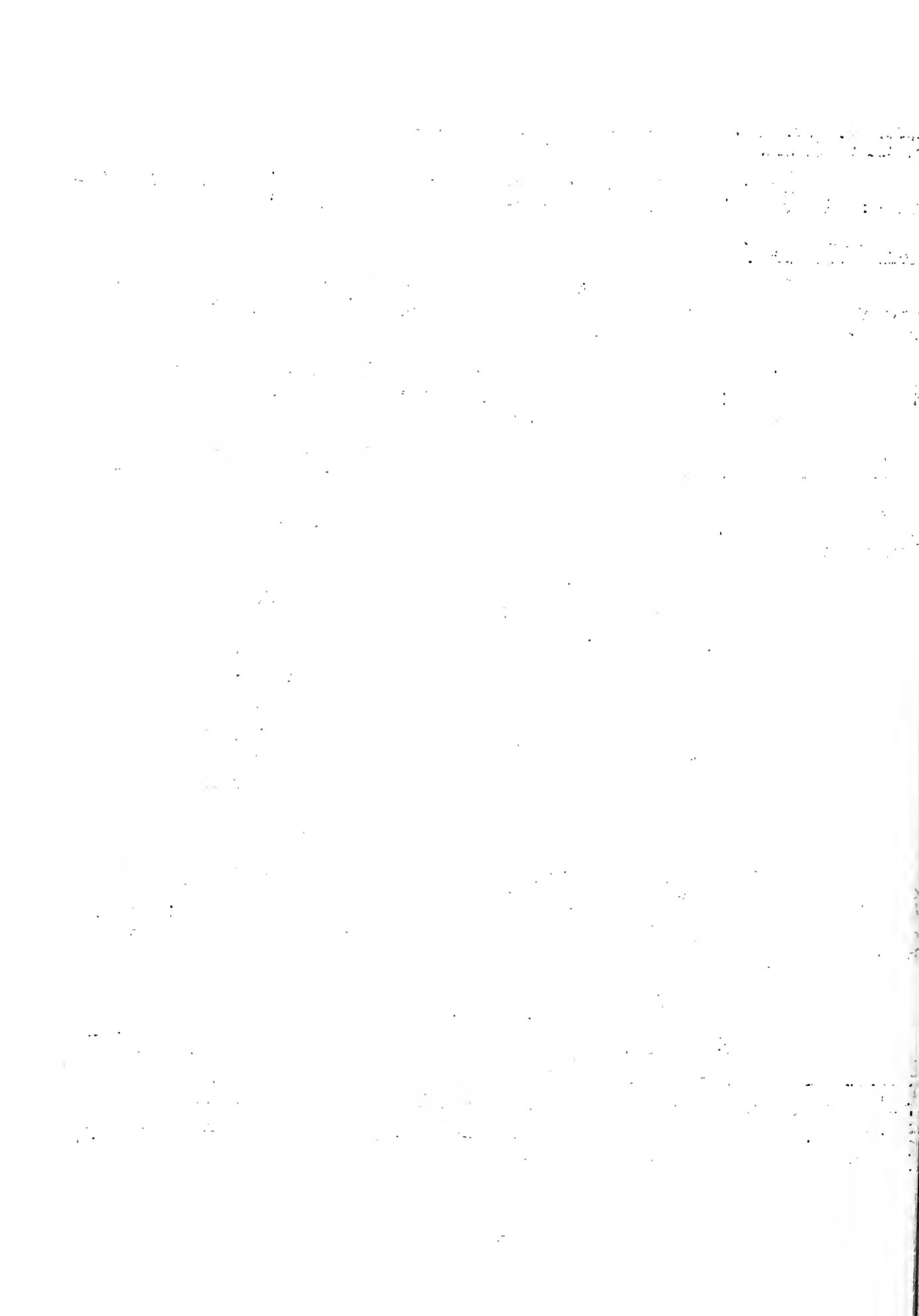
RESOLVED That at a regular meeting of the Art Commission held on January 6, 1958, the Commission unanimously approved the following budget for the fiscal year 1958-1959:

Permanent Salaries	\$ 12,720.00
Temporary Salaries	230.00
Contractual Services	530.00
Civic Design Committee	400.00
Municipal Band	27,000.00
Municipal Symphony Concerts	100,000.00
Municipal Chorus	6,350.00
Furthering Visual Arts	14,454.00
Materials and Supplies	180.00
Exhibition Equipment	<u>5,500.00</u>
	<u>\$ 167,364.00</u>

Our Committee at this time feel that the recommendation of the Commission to amend the Charter by adding thereto Section 46.1 relating to inclusion in gross project cost for beautification of such construction with sculpture, painting and landscaping should be approved.

APPROPRIATIONS FOR BEAUTIFICATION

SECTION 46.1. To foster the beautification of the city and to foster the development of the arts, all future appropriations for building construction by the city and county shall include a maximum of two per cent (2%) of the estimated gross project cost, which amount should be appropriated and allocated for the specific



ART COMMISSION (continued); BOARD OF PERMIT APPEALS

purposes of enhancing and beautifying the construction project with sculpture, painting and landscaping. Where the utilitarian nature and location of a structure make the requirements of this section unwarranted, such requirements shall be waived at the discretion of the art commission. The art commission shall be the sole agency responsible for the approval of the aesthetic acceptability of works of art created under this section.

BOARD OF PERMIT APPEALS

The Board of Permit Appeals in its actions encompasses many phases of our City and County government, and each year its decisions involve many millions of dollars in property and construction. Its principal role is to provide a channel whereby appellants may seek justifiable relief without resort to expensive and time-consuming law suits. Any citizen, upon payment of a nominal filing fee, may appeal actions of city departments regarding permits and licenses, and, as a last resort, the decision of the Board of Permit Appeals likewise may be appealed to the courts.

The Board is comprised of five members appointed by the Mayor. Weekly meetings are held, with both sides given full opportunity to be heard. The records of the Board are kept by the Secretary, who maintains the Board's office in the City Hall and conducts the day-by-day business affairs related to the Board's activities.

A study of the rules and regulations governing the Board's actions indicates that the public interest is well protected, and that the framework under which the Board operates is adequate.

The Charter provides that not only may persons who are directly involved with the issuance of a permit or license take their case to the Board, but also anyone who believes his interests or property, or the public welfare, is, or could be, adversely affected by operations allowed under a permit or license, may seek relief through the Board of Permit Appeals.

The easy accessibility of the Board has earned it the distinction of the "poor man's court", yet a glance at many cases, involving huge sums of money, which come before it, bears out the justifiable contention that its community significance is by no means to be underestimated.

BOARD OF PERMIT APPEALS (continued)

All matters heard by the Board are open to the public, and there is ample evidence that the Board members, and their Secretary, take all possible steps to make certain that all interested parties have an opportunity to make their positions known. City technical experts, representing all the interested City departments, sit in at all hearings to assist the Board when necessary.

The 1957 Grand Jury recommended that minutes of the Board's meetings be given wider distribution. This recommendation has been carried out, undoubtedly to the increased advantage of all concerned.

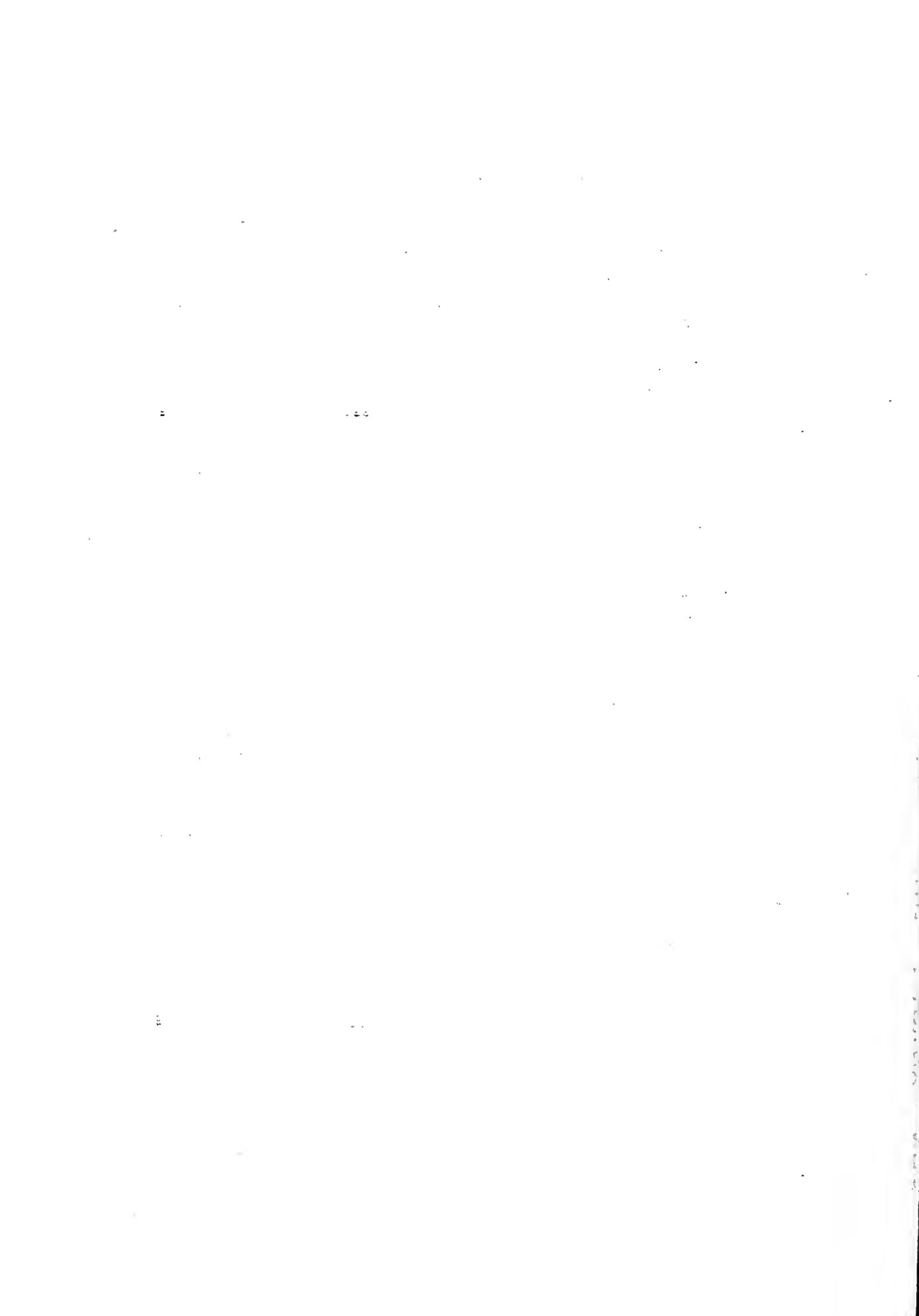
The general category of appellants before the Board include neighborhood groups, owners or tenants of downtown and outlying business properties, merchants, developers of housing projects and motels, architects, engineers, home owners and individuals concerned with appeals involving a great variety of permits and licenses issued through the Police Department, the Fire Department, the Department of Public Health and the Department of Public Works, together with the Planning Commission. Oftentimes, matters coming before the Board involve technicalities or outmoded codes, and in such cases the Departments themselves many times admit that justice has been done when the Board, in its wisdom, has seen fit to overrule the action of the Departments. In a very true sense, the Board may provide the answer to wooden and impersonal applications of government restrictions which eventually, it is hoped, will be modified by enlightened amendments to the codes and the Charter.

Present members of the Board are Clarence J. Walsh, Peter Tamaras, Ernest L. West, Joseph C. Tarantino and Morgan J. Doyle. The Board Secretary is J. Edwin Mattox, who has filled that position for the past eight years.

The building industry itself has gone on record as providing perhaps the logical reason why the Board of Permit Appeals fills an important role in our municipal government. The industry position is that there is needed some means of appeal from literal interpretations of the law, since San Francisco's municipal departments have no authority to grant variances from the Building Code.

It is our belief that the citizenry have through the Board of Permit Appeals adequate recourse for a full and impartial hearing of their permit and license grievances without undue expense and delay.

Total Budget \$13,600 - which we think is quite small;



BOARD OF PERMIT APPEALS (continued)

approximately between 100 and 150 cases a year. We would be very happy to recommend a typist, at least one-half time.

The Grand Jury, in all its visits with the Secretary of the Board of Permit Appeals, have found him very efficient and cooperative in having the agenda and minutes sent to us every week. This Committee has no recommendations here as everything seems to be running smoothly.

HENRY L. GIBBS, Chairman

GERTRUDE G. LEVISON



PUBLIC DEFENDER

The San Francisco Public Defender's office operates under Section 33 of the Charter of the City and County, which reads as follows:

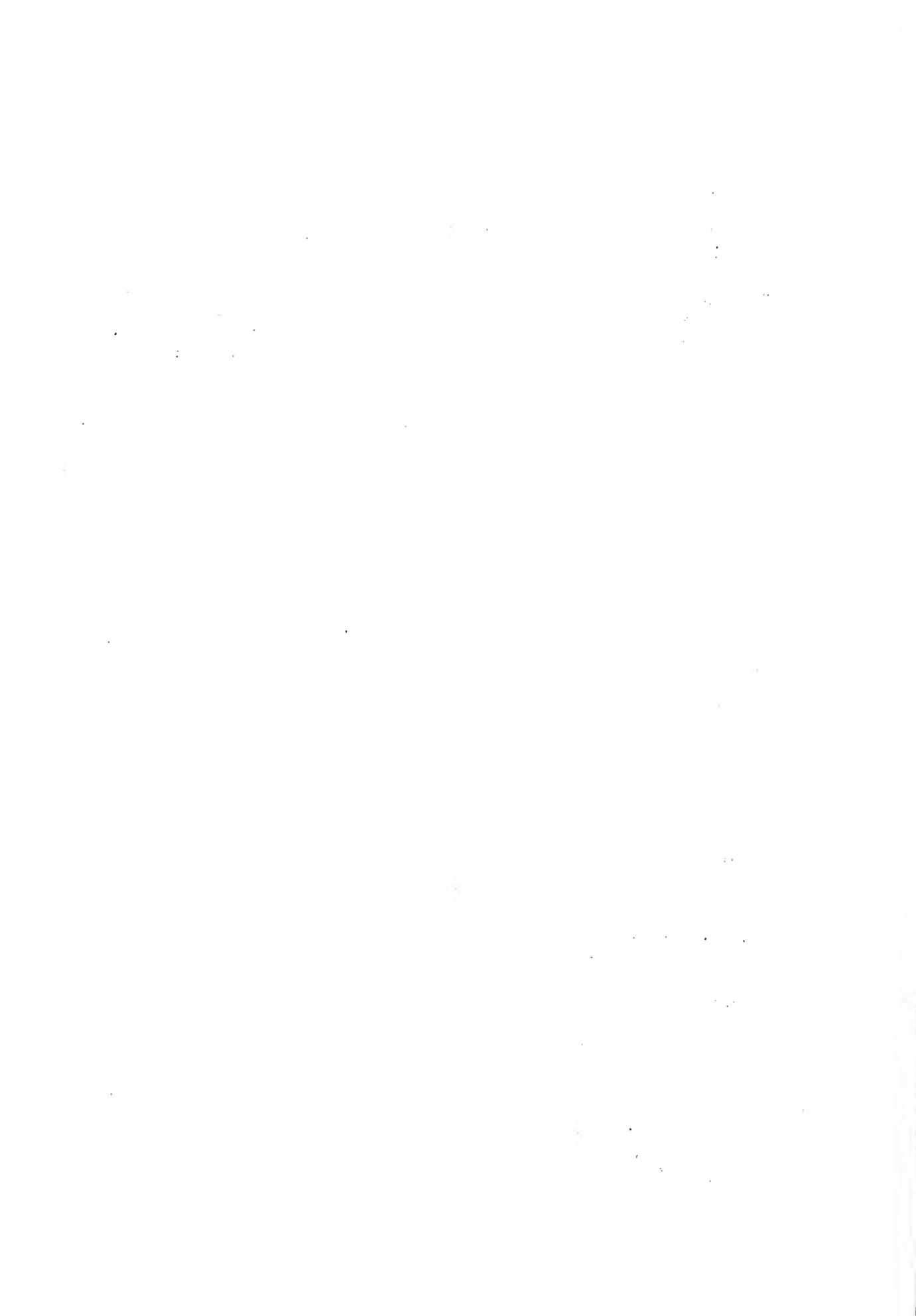
"He shall immediately, upon the request of a defendant who is financially unable to employ counsel, or upon order of the court, defend or give counsel, or advice to any person charged with the commission of a crime."

This Committee has observed the Public Defender's deputies in court action. Also talked with Judges, the Police and District Attorney to secure their opinions and recommendations on the performance of the Public Defender's office. Further, a visit was made to the highly regarded Oakland Public Defender's office to compare their operations with ours. From these inquiries this Committee concludes that our Public Defender Edward T. Mancuso and his Chief Deputy, Abe Dresow, and staff are creditably performing the charge so given them.

The work load of this office increases from year to year. This past year 5,608 defendants were represented in the Municipal, Juvenile and Superior Courts, which represented an increase of 25% over the last fiscal year.

Since 1955 the Public Defender's office was charged with handling misdemeanor cases. This proved a wise move on the part of the Administration and was particularly proven last year when 44% of the defendants represented (2,865 in number) were either dismissed, discharged or found not guilty. Of the preliminary felony hearings, 36% were either dismissed or reduced to misdemeanor. Furthermore, the handling of these cases by competent full-time deputies has practically eliminated the necessity of jury trial in the Municipal Court, and defendants now have their cases tried by the judge rather than by a jury. Last year there were only two cases that actually went to jury trial. Previous to the employment of a full-time deputy to the court, there were an average of fifty-five jury cases that were tried by outside counsel appointed by the court. This saves the City considerable money and crowding of court calendars.

The request for more help to adequately take care of the work load of nearly every department of the City Administration is perennial - some warranted and some unwarranted - but most of the requests end up under the "axe" of the Budget and Finance Committee. However, this Committee would be remiss if it did not report that in order for the Public Defender to further improve the



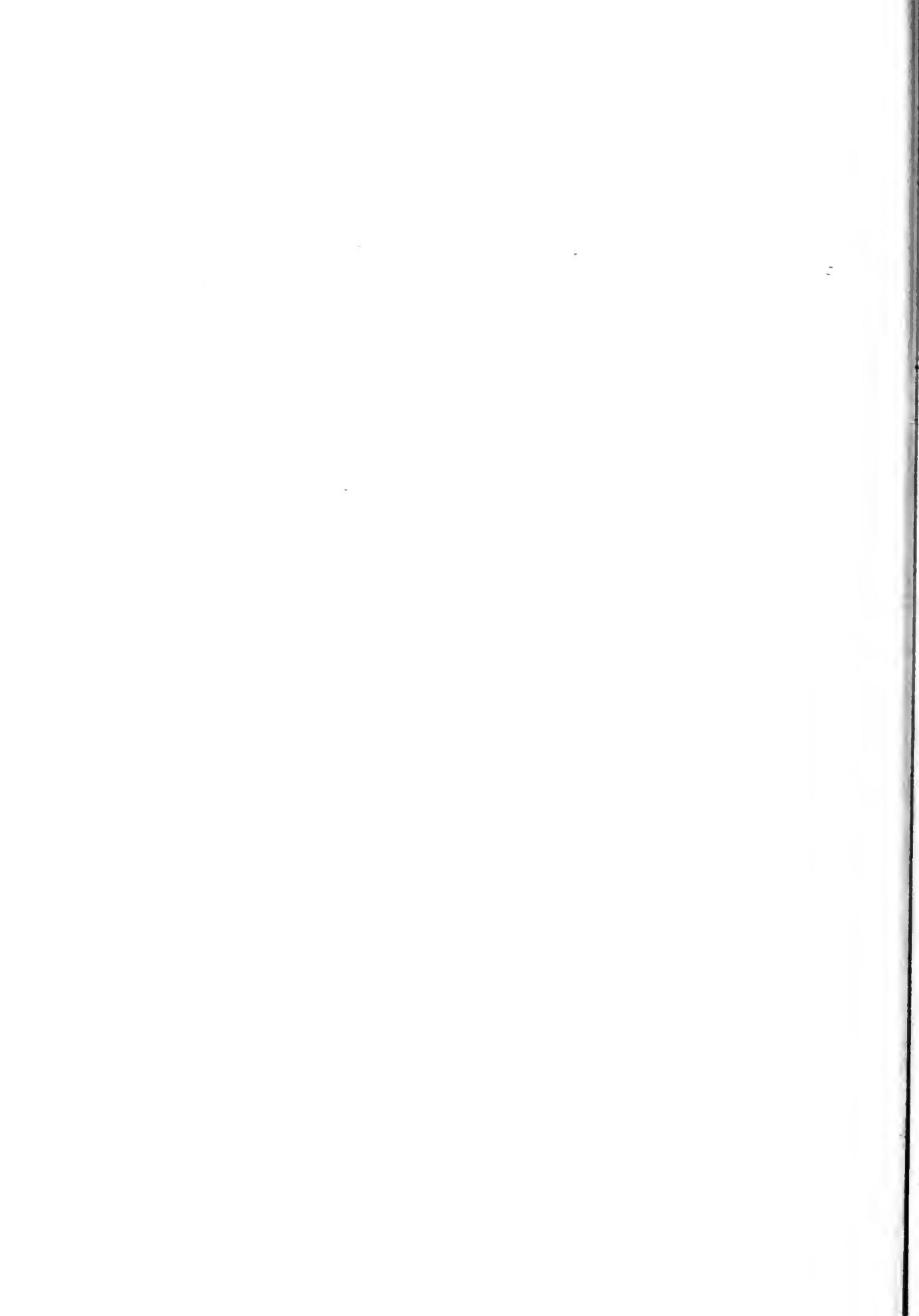
PUBLIC DEFENDER (continued)

efficiency of his office, he is in need of an additional full-time deputy to fill in on the courts during vacation time, to handle the bedside hearings on mentally ill cases at the Psychiatric Ward of the San Francisco General Hospital, as required by State law, and to aid in preparing of briefs for filing appeals.

WILLIAM E. BERELSON, Chairman

WILLIAM J. RAFFETTO, JR.

EARL S. LOUIE



PARKING AUTHORITY

The members of the Parking Authority, and the staff under the direction of Mr. V. J. Fisher, are sincere and devoted to the task assigned to them. This is a group that is planning well into the future and is striving diligently to keep abreast of the parking demands.

A brief summary will indicate the work accomplished during the past fiscal year.

<u>Completed</u>	<u>Number of Stalls</u>	<u>Total</u>
Memorial Temple Garage	500	
Fifty Main parking	<u>304</u>	304

Under construction as of July, 1958:

Fifth and Mission	1,083	
Fifth and Howard	300	
Ellis-O'Farrell	900	
Zellerbach Building	150	
Pine and Market	<u>50</u>	2,483

Proposed and under negotiation:

Sutter-Stockton	1,000	
Civic Center	<u>1,000</u>	
Portsmouth Square	<u>520</u>	2,520

Open Parking

<u>Completed:</u>		
Freeway Fringe	<u>354</u>	354

Under development:

Yerba-Natoma	60	
Jones-Golden Gate	<u>100</u>	100

<u>Neighborhood Parking Requested</u>	<u>2,600</u>	2,600
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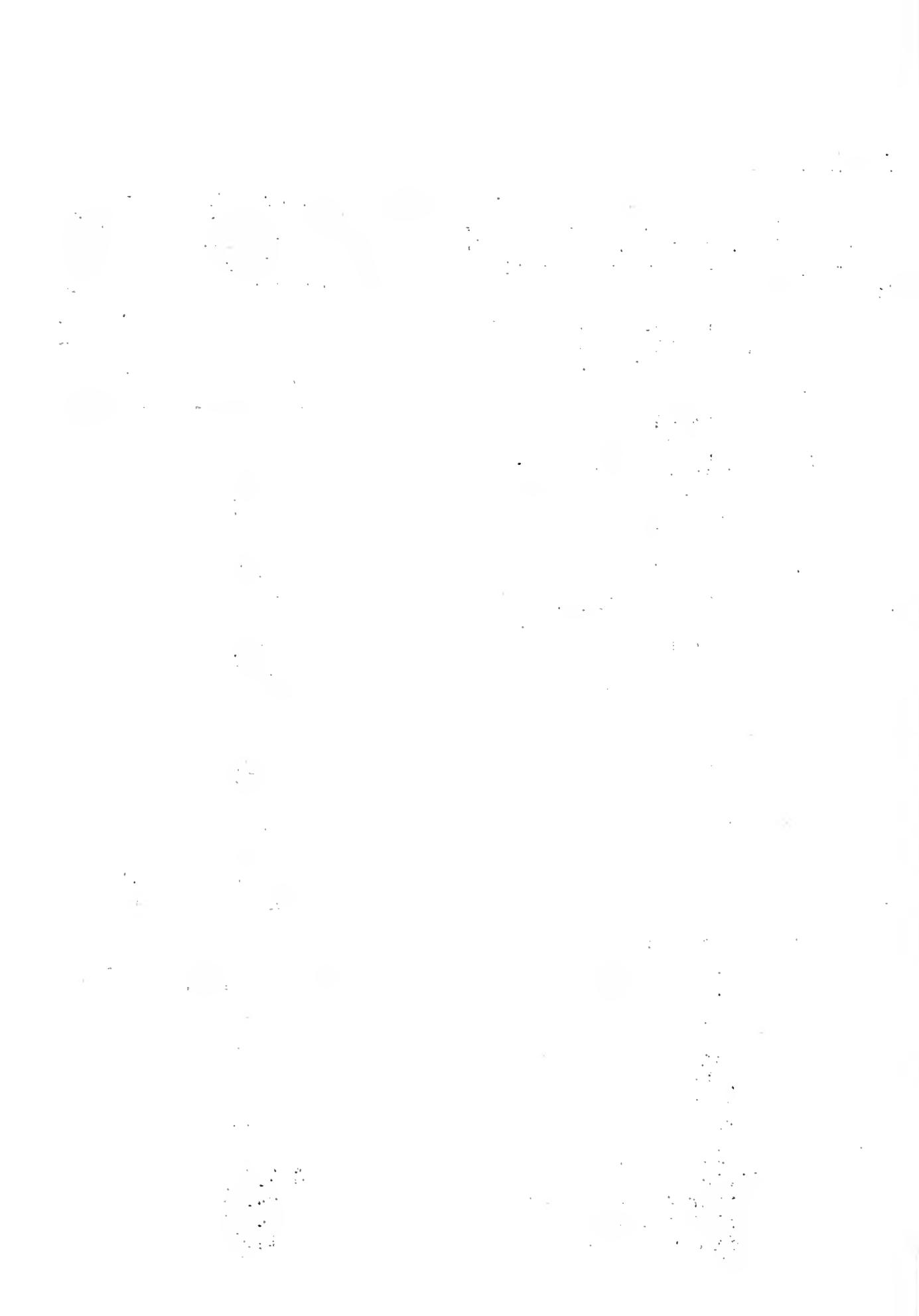
Income from Public Parking:

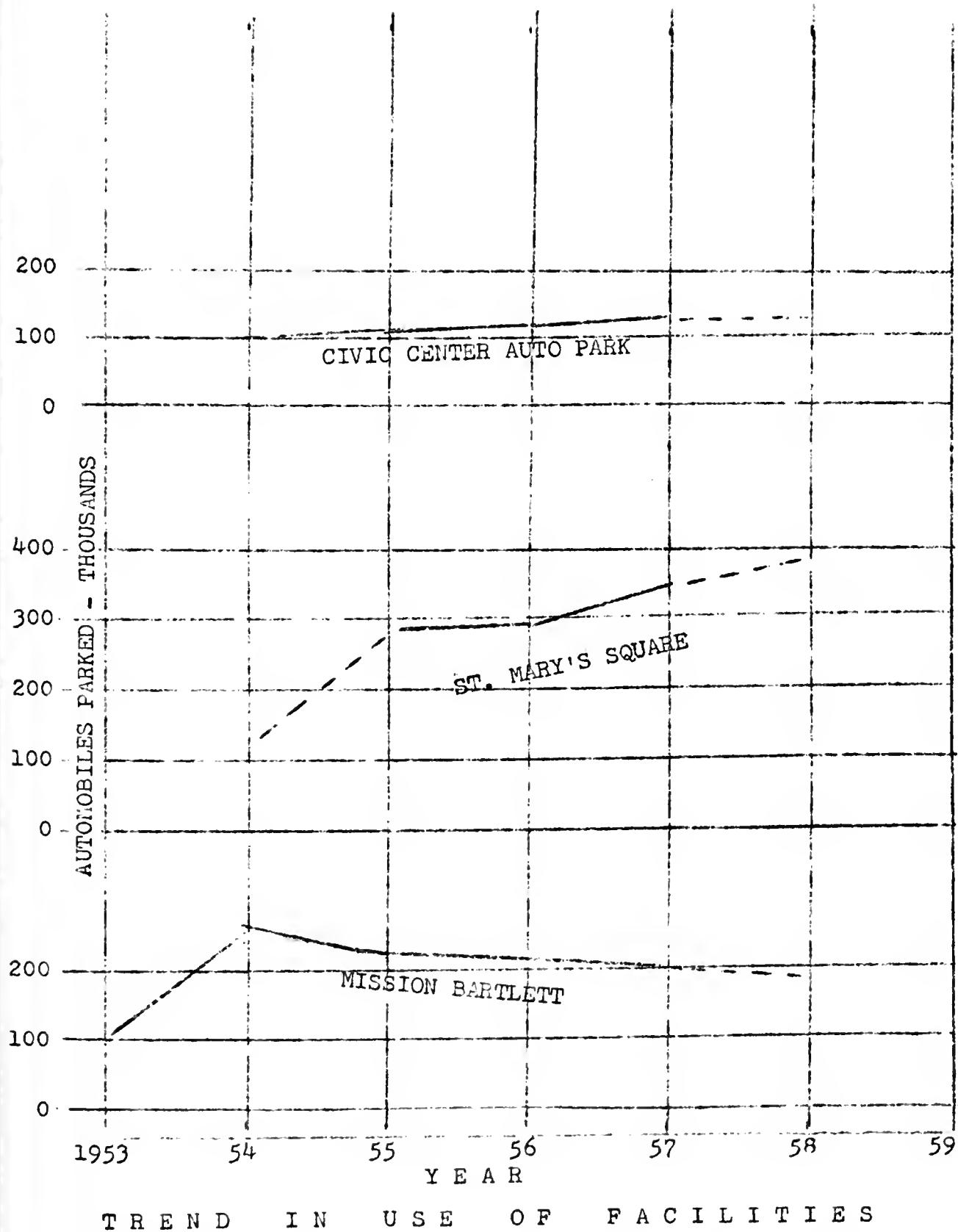
Disregarding taxes, the income received by the City, per car, is as follows:

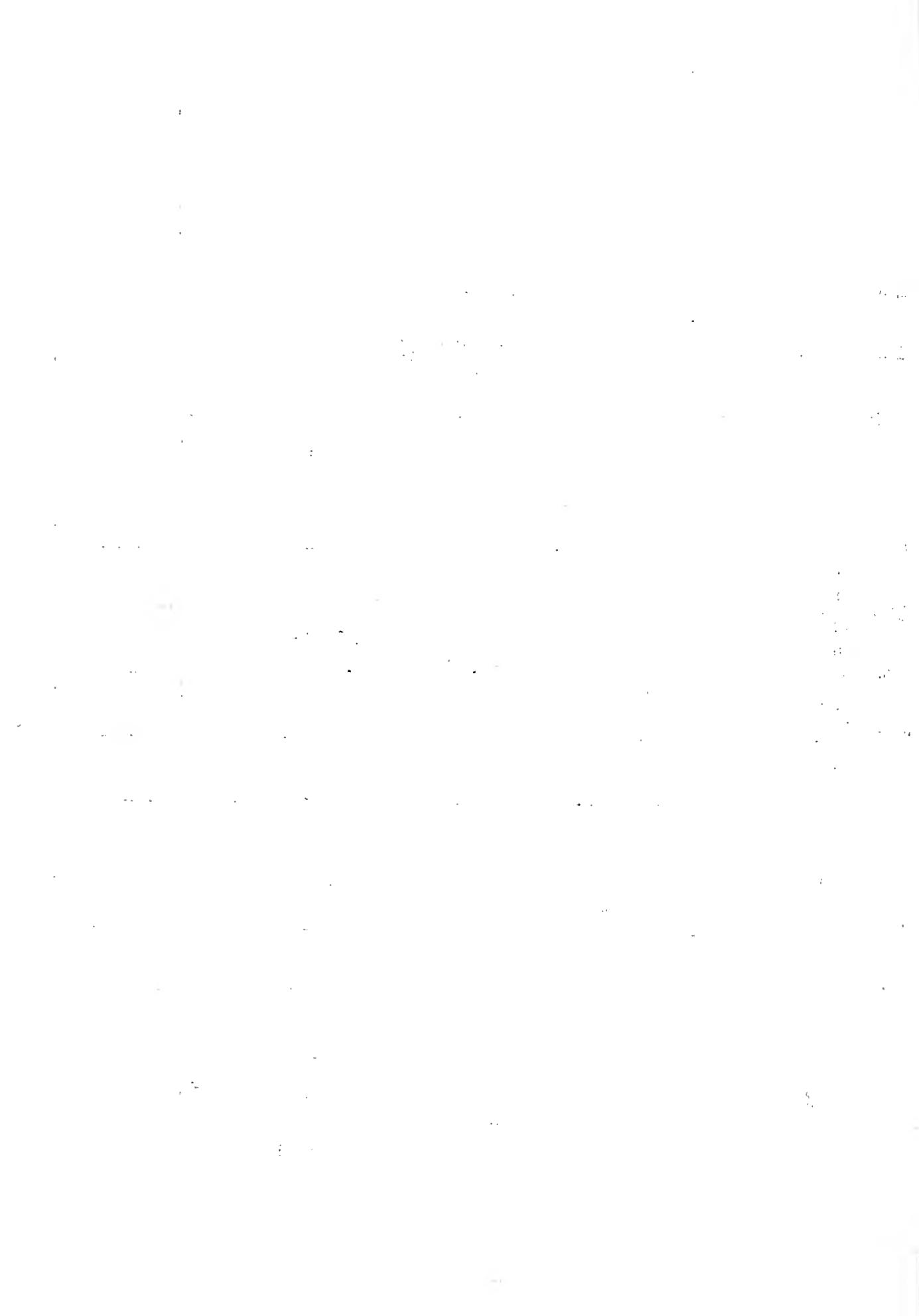
Civic Center	\$ 1.31
Fifth and Harrison	0.95
Mission - Bartlett	0.53
St. Mary's Square	0.29
Forest Hill	0.07
Lakeside	0.06

Cost per stall for multiple floor parking:

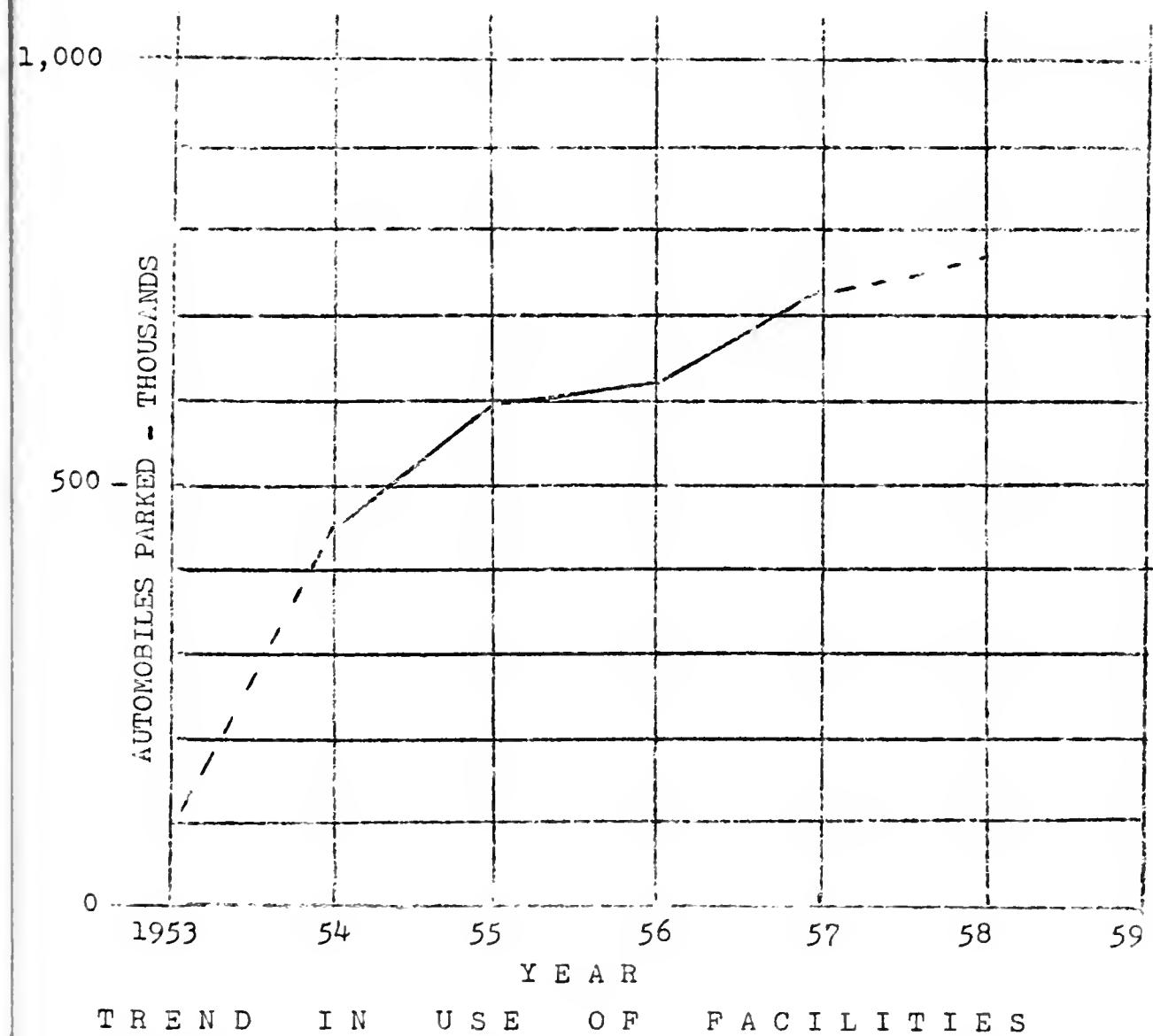
Civic Center Underground	\$ 1,500
Sutter and Stockton	3,300
Portsmouth Square	2,940
Fifth and Mission	2,960

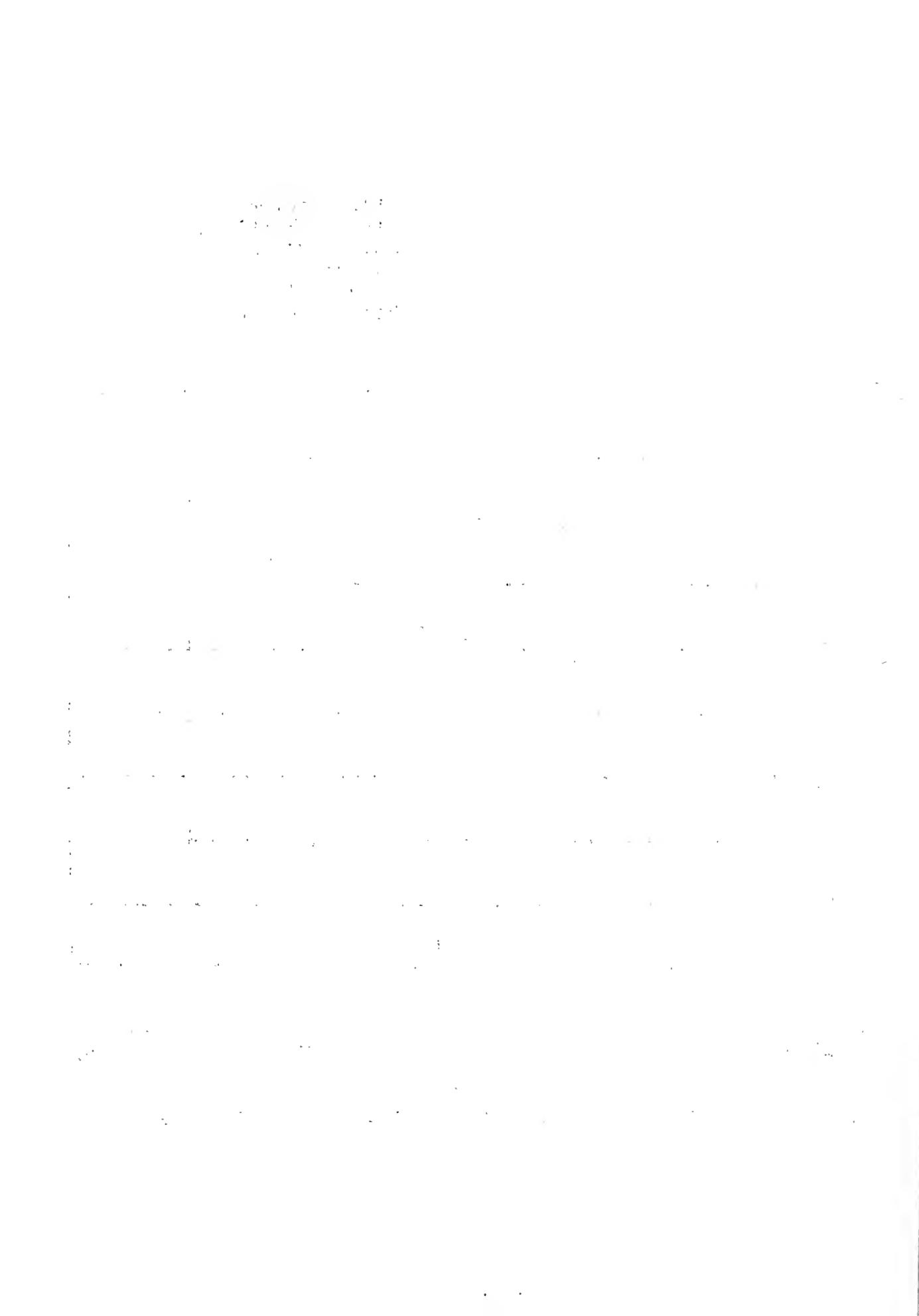






Civic Center
Mission Bartlett
St. Mary's Square
Lakeside Village
Forest Hill
7th & Harrison





TRAFFIC

The handling of traffic in the city is difficult. The original staff headed by Captain Kiely and the late Captain Olstad were alert and efficient in keeping up with traffic problems. It is believed their successors will keep up the good standard.

They believed all engineering should be performed by the Department of Public Works, and this change would lead to a greater efficiency in planning.

The continued abuse by many drivers of the double parking rules, particularly by trucks, should be given more attention, especially whenever curb parking is available within 100 feet.

The downtown parking meters would better serve the public if the respective parking limit rules could be enforced, thereby preventing parkers from "feeding" the meters all day to keep violations from registering on the meters.

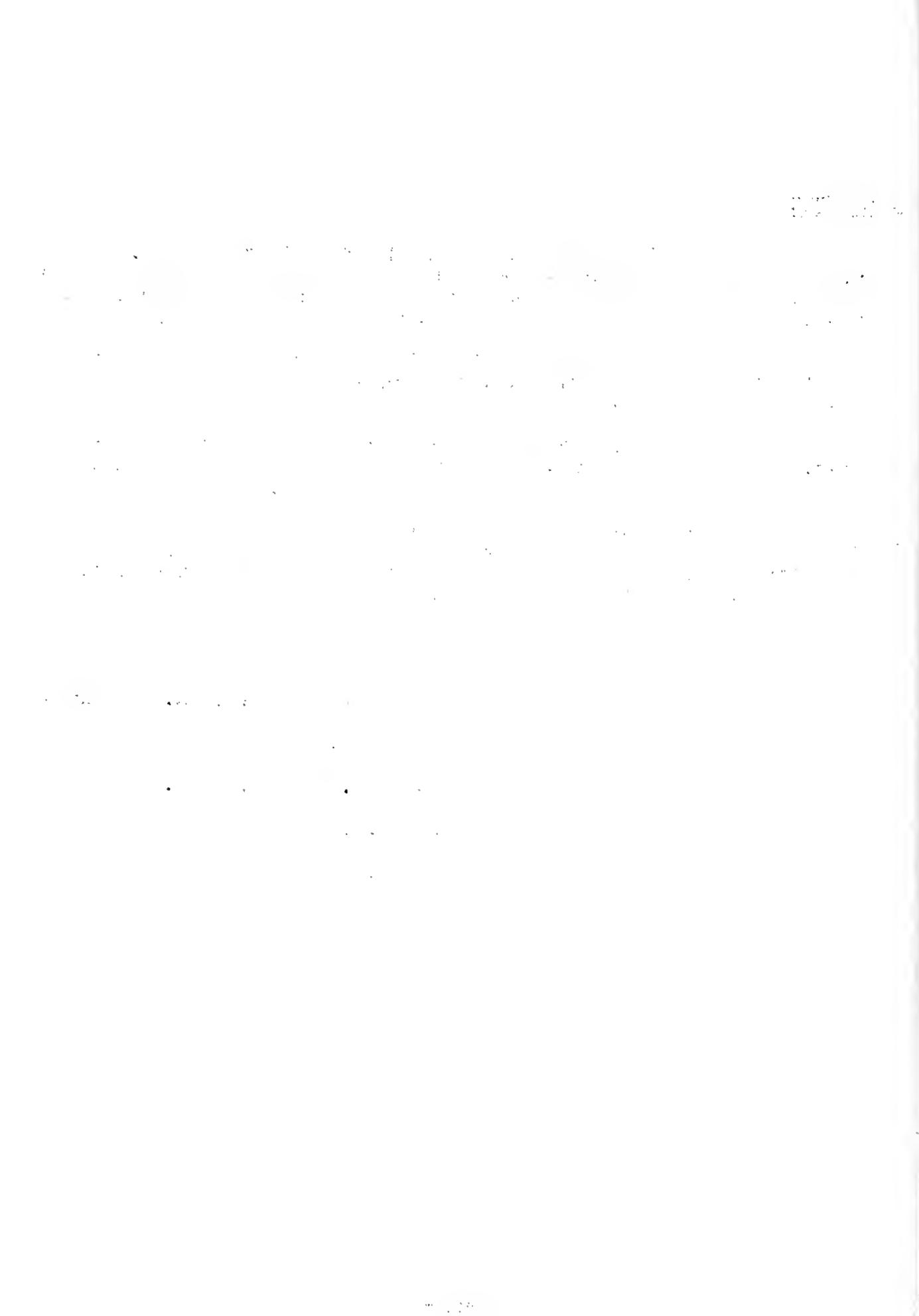
THORNTON J. CORWIN, JR., Chairman

ROLLAND W. YOUNG

HECTOR J. GIUNTINI, JR.

JOSEPH S. QUAN

CONRAD J. GRIEDER



SHERIFF

During this past year, our Committee, accompanied by several other members of the Grand Jury made a physical inspection of all county jail facilities in San Francisco and at San Bruno as well as the Civil Department located at City Hall. All facilities appeared to be well-managed and kept in clean and sanitary condition.

The number of inmates received at the County Jail during the fiscal year ending June 30, 1958 was 9,835 compared to 8,871 in the previous fiscal year - an increase of 9.8%. The daily average number of inmates was 882 compared to 834 in the previous fiscal year. It is interesting to note that the annual number of admissions two years ago (fiscal year 1955-1956) was 7,379 and the average daily population only 673. Among the 9,835 admissions this past year, 946 were Federal prisoners and 1,451 were felony prisoners awaiting trial. The remainder were 7,438 misdemeanants serving sentences. These figures substantiate the claims of crowded conditions and increased administrative burdens of the Sheriff and his staff. The last three Grand Juries have recommended the employment of eight extra jailers, but the only addition made was in the 1956-1957 budget when two jailers were provided for duty at the San Bruno Jail. We believe that the work-load in terms of custody and security requires the employment of additional jailers as soon as practicable.

In our visits to the jail, we noticed the clean appearance and general attitude of the prisoners. Most of the able-bodied prisoners are assigned some useful work in the institutions. The farm program at San Bruno produced a record crop this year of 461,030 pounds of vegetables of many varieties - raised mainly with voluntary prison labor. Twelve head of beef cattle are presently in the farm program. All produce in vegetables and meat are used to feed the prisoners, and a principal reason why the Sheriff is able to feed the prisoners on a daily budget of 47¢ per inmate, three meals per day, is this fine farm program. Between 50 and 60 tons of hay are raised annually and it appears that at least 30 more head of cattle could be raised on the farm without purchase of outside feed. The Sheriff should be encouraged in this productive farm program. Aside from the factor of economy, it provides useful work therapy and reduces jail idleness.

The crowded condition will be alleviated to some extent with the completion of the new Hall of Justice, projected opening scheduled for January 1, 1961. This building will provide added jail accommodation for an extra 120 male inmates. Despite the greatly increased inmate population, general morale and prisoner care are considered excellent.

The program of handling the "common drunk" and/or "alcoholic" in jail shows signs of progress. This is a heavy volume



SHERIFF (Continued)

problem, and a program of rehabilitation is being carried out by the Sheriff's Department in conjunction with the Health Department, Adult Probation Department and the Municipal Courts. It is constructive.

A recent study completed by the Sheriff relating to operation of the Civil Department shows an increase in work-load over the last ten years of about one-third. This embraces actions received, processes served, trust fund entries, warrants processed, etc. The amount of fees collected for services and mileage turned into the General Fund has increased in that period from \$49,786 to \$86,765. This unit needs additional skilled clerical help.

In the last fiscal year, 2,752 persons were transported by this department to various State institutions, in accordance with legal commitments. This phase has gradually increased, requiring continued attention to personnel and equipment.

Sheriff Carberry is following the established custom of turning into the General Fund all fees for transportation and custody of prisoners held for other jurisdictions. In this last fiscal year, the sum of \$117,366.00 was turned into the General Fund.

With the general feeling that City Government is often wasteful in both manpower and materials, it was most refreshing and revealing for our committee to have worked with the Sheriff's Department this year. The members of the Grand Jury who accompanied us on our visits to the Civil Division and Jails #1 and #2 were visibly impressed not only by the statistical information furnished us by our Sheriff but also with his knowledge of the statistics which is perhaps due to his background wherein he spent three years as a Supervisor, eleven years in law enforcement, two and a half years as controller for Leo Myberg Co. and having also graduated from the University of San Francisco with a degree in business administration. He has certainly carried efficiency into City Government and we found in talking to various people in the departments that morale was excellent. Needless to say we also found Sheriff Carberry to have a great capacity for work.

We feel he is also fortunate to have people in key positions who are dedicated to their particular work, such as Under-Sheriff, John P. Figone; Chief of the Civil Division, Howard Dunn; Supt. County Jail #1, Frank Smith; Supt. County Jail #2, Thomas Burns.

It is our opinion that San Francisco is indeed fortunate to have this caliber of men working in these positions.

ANGELO E. CAMPANA

JOHN H. CASENAVE

EARL S. LOUIE

PUBLIC UTILITIES

The operations coming under the jurisdiction of the Public Utilities Commission are so extensive and of such magnitude that it is difficult to give them proper recognition in this report, which must, of necessity, be brief.

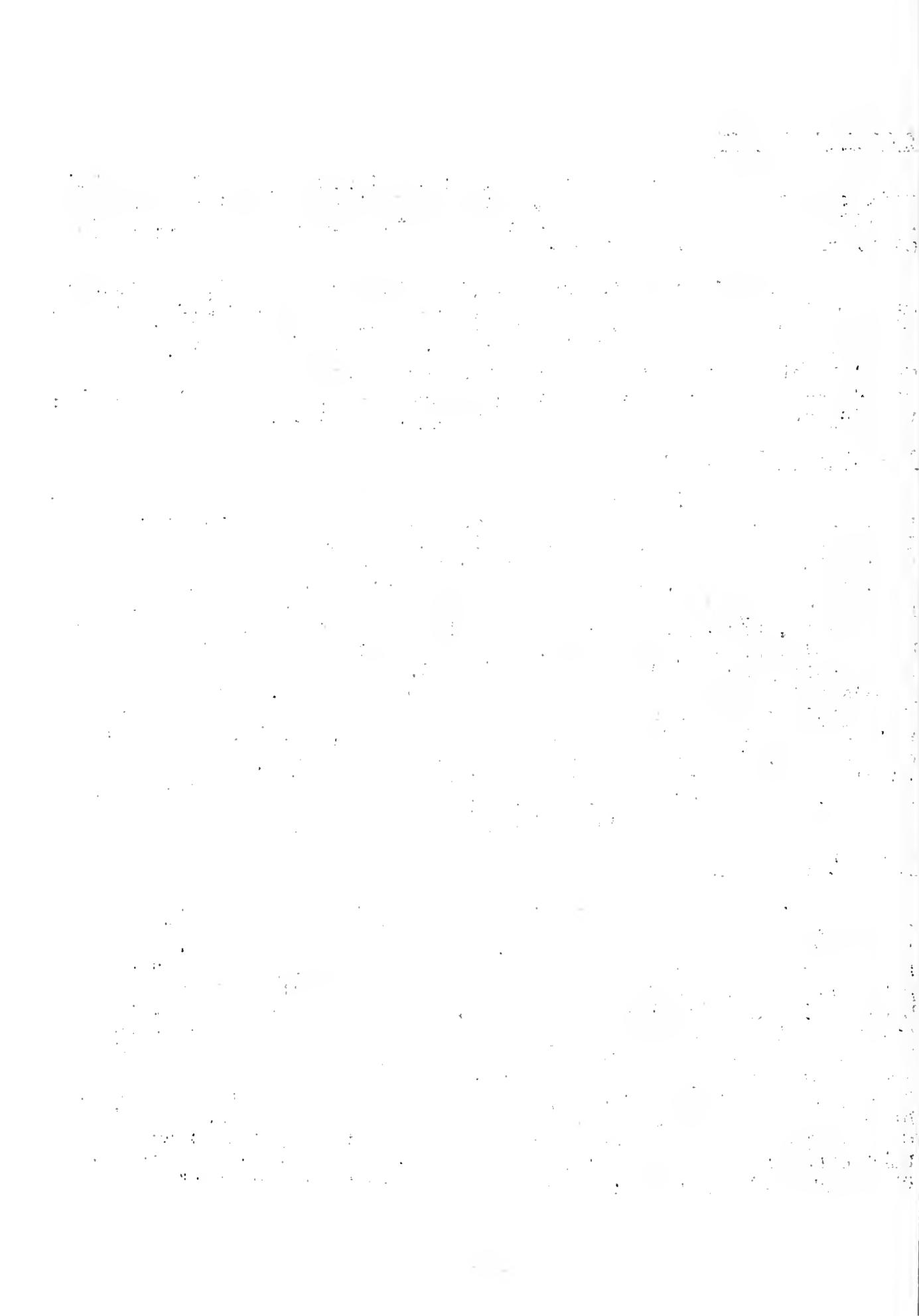
Your Committee, through interviews with Utility personnel and personal inspections of properties, has been favorably impressed with the business-like administration of such facilities and wishes to commend those in charge for a job well-done during 1958. Everyone connected with our Utilities can look with pride upon the record -- of four major departments only one, the Municipal Railway, was tax assisted in the fiscal year ending in 1958.

International Airport

A record! For the first time in its 31 year history, more than 4,000,000 passengers boarded or deplaned at San Francisco International Airport. Solution of some of the major problems involved in moving such a large number of people has already been undertaken (self-service baggage reclaiming) and is being contemplated (utilization of waste areas, installation of escalators and, eventually, moving sidewalks). The Progress Report and Preliminary Recommendation on Terminal Expansion, submitted to the Commission early this year, projects plans to 1970. In a year or so, jet planes will be servicing this area and our Airport, because of the foresight and planning of our Airport authorities, will be able to accommodate them. The substantial income, \$3,916,667, derived from concessions, rentals, use of field facilities, etc., will be substantially augmented when a new addition to the Airport - the Hilton Inn - is completed. We commend Mr. Belford Brown, Manager, and his staff for such an impressive achievement.

Water Department

Water has often been referred to as the life-blood of a community. How well we know this even here in California where some sections have, from time to time, been in dire need of it. This should make us ever-grateful to those engineers and planners who preceded us and established our water system. Let us guard this heritage! Your Committee is happy to report that the fiscal year ending in 1958 was one of growth and progress. The value of the System has grown to \$105,921,737; the amount of water delivered to consumers has increased to 140,500,000 gallons per day and its revenues have more than doubled to \$14,024,624 since 1930. Rates, however, are 10% lower than in 1930. Plans have been projected many years into the future for expansion of the system to adequately take care of anticipated increase in consumption - another example of progressive thinking. Your Committee is concerned lest



PUBLIC UTILITIES (Continued)

inadequate provisions for deferred maintenance of equipment and servicing of facilities jeopardize the quality of our water. After an inspection of properties, accompanied by General Manager and Chief Engineer James H. Turner, the early part of the year, we felt it our duty to recommend by resolution to the Mayor and Board of Supervisors that approval be given to the Water Department budget submitted by the Public Utilities Commission having to do with personnel and other items required to reduce deferred maintenance and thus maintain the quality of our water. It has been noted, with satisfaction, that the Minutes of the Commission indicate that much work is being done to replace antiquated equipment and cleanse water mains and reservoirs. This Committee recommends that favorable consideration be given in the future to budget requirements for maintenance of equipment and water quality.

Hetch Hetchy Water and Power Project

Your Committee feels that the following excerpt from a paper prepared by Manager and Chief Engineer Harry E. Lloyd characterizes Hetch Hetchy:

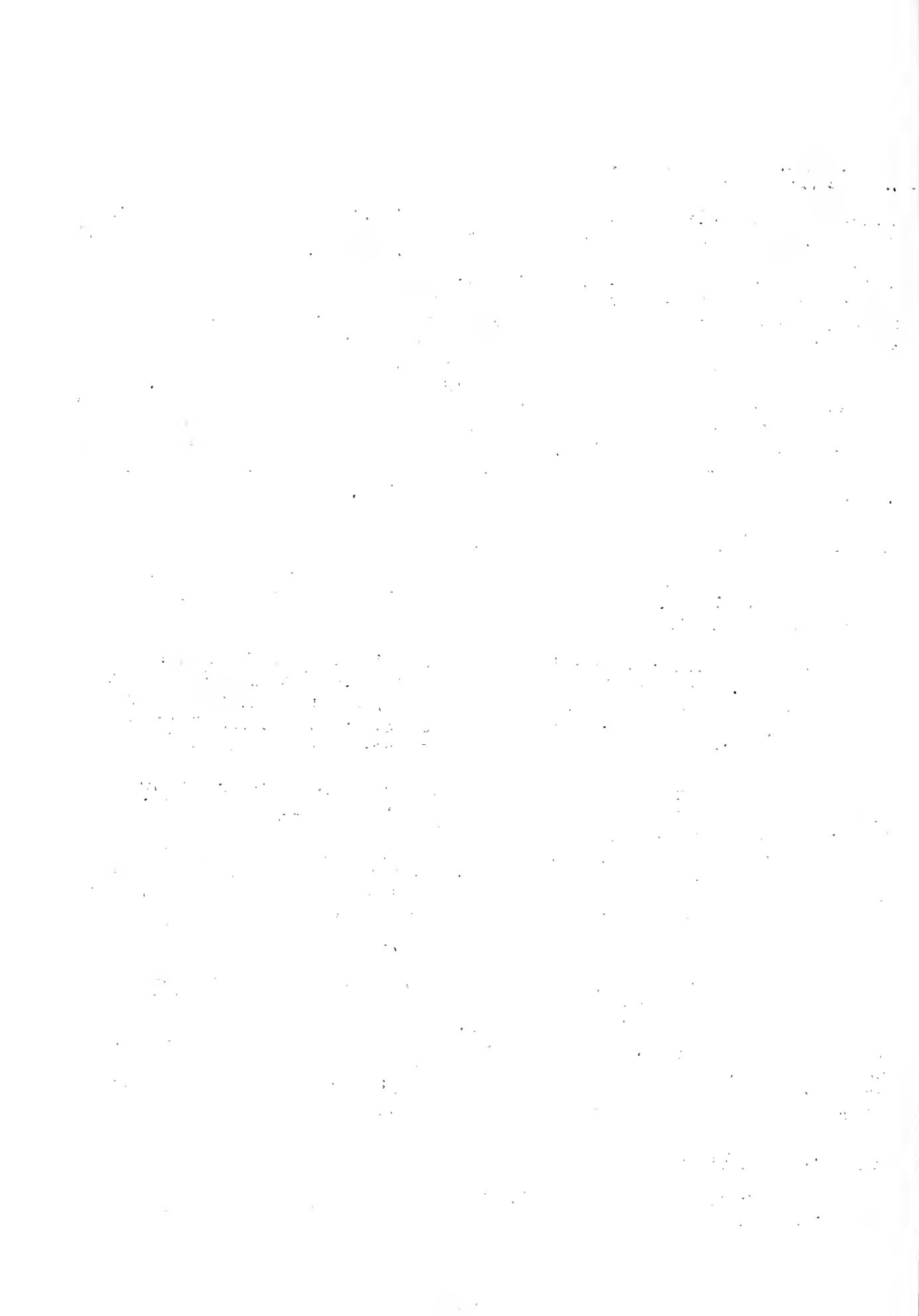
"One of San Francisco's most valuable assets is its water supply. Few cities in the country have an assured water supply as fine in quality or as dependable in quantity as does San Francisco. This is especially important here in the West where the water resources are limited."

A visit to Hetch Hetchy in the High Sierras is awe-inspiring -- a great tribute to engineering skill. In addition to the storage of water and development of power, Hetch Hetchy, in cooperation with the Modesto and Turlock Irrigation Districts and the United States Engineers, has played an important part in flood control and in the development of the Tuolumne River watershed; an arrangement unique in the history of water development in California, if not in the entire country.

The Utilities Engineering Bureau, which provides engineering services for Hetch Hetchy, International Airport and the Municipal Railway, is under the supervision of Hetch Hetchy management. The Bureau of Light, Heat and Power, which provides electric, gas and steam services to Municipal Departments of San Francisco and designs, installs and operates the City's street lighting facilities, was recently merged with the Hetch Hetchy Project.

Municipal Railway

Very few people, who have not had the opportunity to observe at first hand the operations of our Railway, realize the

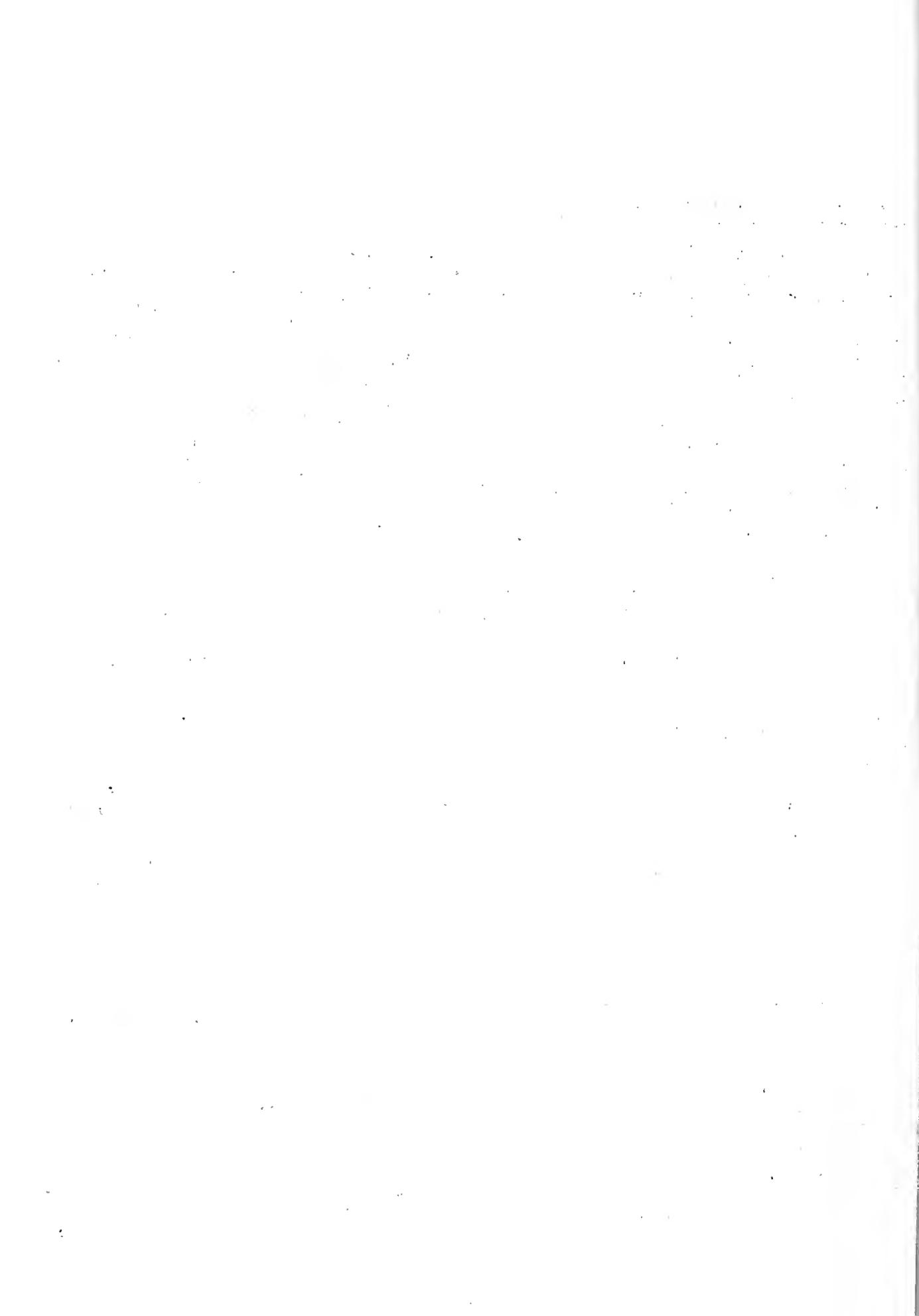


PUBLIC UTILITIES (Continued)

magnitude of the Railway organization. This is the largest of the utilities, employing in excess of 2700 people and enjoying revenue from its operations in excess of \$19,800,000. Unfortunately, however, a deficit was sustained during the fiscal year 1957-58, necessitating tax relief of \$3,455,358. Many factors contribute to this deficit, but Railway management, headed by General Manager Charles D. Miller, is doing everything possible to keep them under control; they are to be commended for their efforts. Your Committee noted with some degree of apprehension that claim payments by the Railway amounted to \$1,090,047.56. This prompted our inquiry on two points; (1), the handling of claims and (2), the prevention of accidents. Our meeting with Donald Mazzoni, General Claims Agent, and Paul Fanning, Director, Bureau of Personnel and Safety, alleviated much of our concern. It was found that claims are being handled very fairly and efficiently and that the number thereof and payments made are not out of line for a business of such proportions as our Railway. The operation of 850 vehicles over 488 miles of routes, carrying 655,000 passengers daily is no small undertaking and presents many exposures from an injury and accident standpoint. By means of a central radio control station, headquarters are constantly in touch with district inspectors, whose duties are to keep operations on schedule, investigate accidents and report any rule infractions. The Railway has an excellent training program for new employees that is comparable to any in the transit industry. This consists of both classroom (theory) and line (practical) training, as well as psycho-physical tests and medical examinations. The Committee feels that proper indoctrination will result in safer operation and the reduction of accidents.

New type coin boxes will soon be put into use. It is estimated that they will result in increased revenue and reduction in operating costs.

In looking at the revenue picture, consideration has been given to possible remedies for the deficit, the most talked of one being an increased fare. From time to time this subject and transfer charges have been before the Utilities Commission and turned down. Surveys indicate that increased fares result in reduced use of the facilities and defeat the intended purpose. It is not practical, because of short distances involved, to use zone rates. It is the consensus of the Committee that San Francisco needs the Municipal Railway and should maintain service at a minimum fare. Any resulting deficit should be tax supported as long as such support is reasonable. We feel confident that management is doing its utmost to keep it within that realm. We recommend that management be ever-vigilant to the accident hazard and make sure that running schedules are not made too tight so as to create the possibility of accident.



PUBLIC UTILITIES (Continued)

The Bureau of Public Service, under Director William Simons, is to be complimented for the splendid Annual Report of the Public Utilities Commission and for other publicity activities. We recommend that wide-spread distribution be given to the Annual Report -- to schools, service organizations, public libraries -- so the public may have an opportunity to become better acquainted with our Public Utilities.

In closing, we repeat our commendation of management and its staff for the efficient and business-like manner in which our Public Utilities are being operated.

JOHN H. CASENAVE, Chairman

LEO J. MURPHY

ROY SCOLA

ROLLAND W. YOUNG

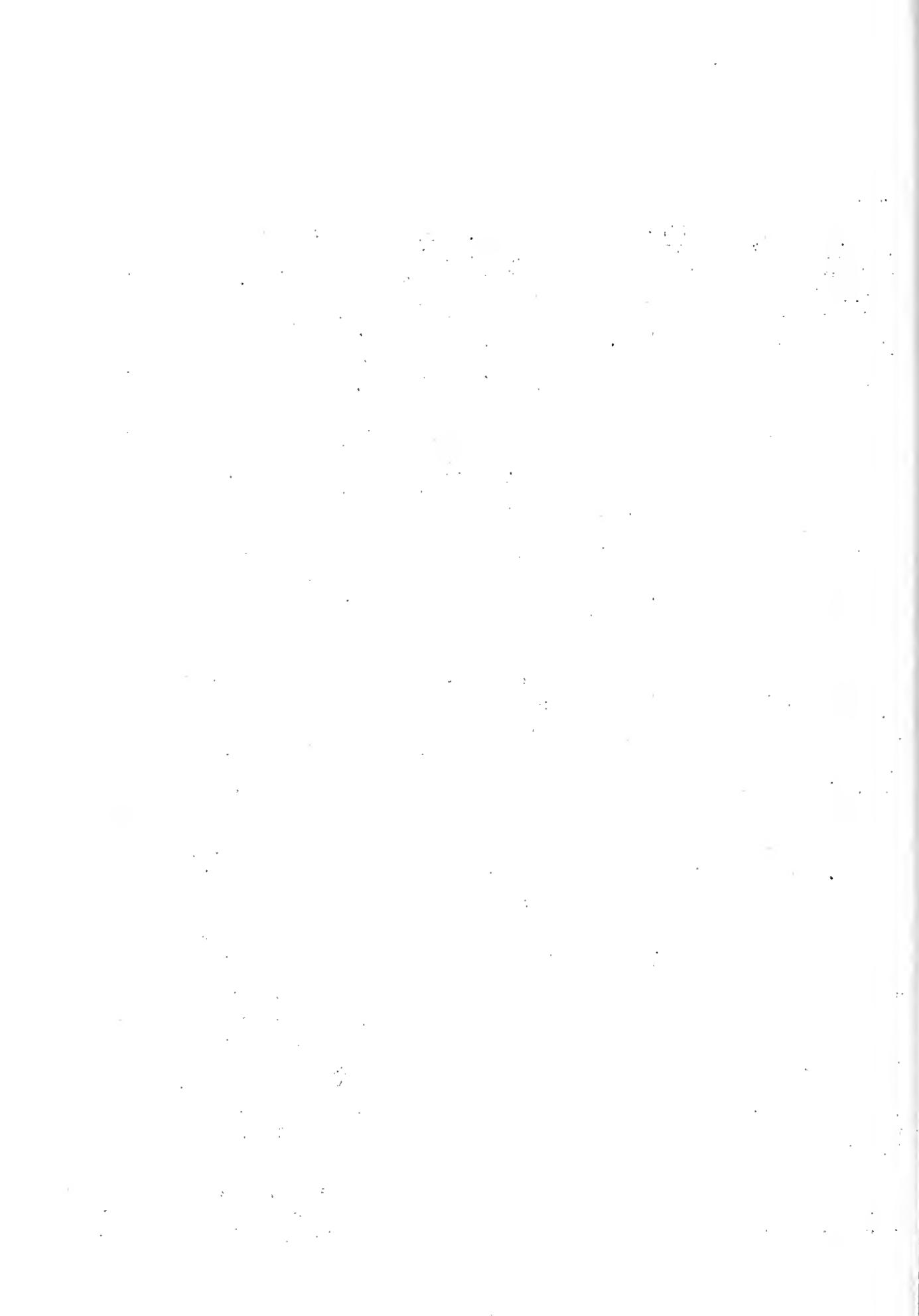
CORONER

PERSONNEL: The Coroner, Dr. Henry W. Turkel (under civil service status) has served energetically and well for approximately six (6) years. His staff consists of the following: Chief Investigator Paul Greene and five investigators who are also deputy coroners. Five Doctors (on part time basis), five drivers, two morgue attendants and one part time, two laboratory technicians, one assistant toxicologist, one part time court recorder, one senior clerk, one stenographer, four typists and file clerks.

LOCATION: The Coroner's office, operating facilities, and court are located behind the Hall of Justice Building at Washington and Kearney Streets. All of the above are to be re-located in the new Hall of Justice Building now under construction at 7th and Bryant Streets. Consideration has been given that much of the improved equipment and facilities that had been installed in very recent years will be moved and included in the new building. New quarters are to be closely maintained on one floor. The Coroner and his staff must work in close co-operation with the Police Dept., District Attorney and the Courts, and the new quarters should be a great asset to this department.

FUNCTION & COURT: The Coroner and his staff (approximately 30 persons) serves the community to establish the cause and related circumstances in certain classes of deaths. In cases where no Doctor has been in attendance, the Coroner must examine to establish and to determine the cause of death. Deaths caused by accident or crime must be examined and processed by his staff. Coroner's Court serves to establish the cause of death in certain cases, and the establishment of it's findings may set the precedent as to innocence or guilt upon the act of a person accused as to cause of death. The findings of the Coroner's staff and court is of extreme importance; therefore, he and his staff must be, and are, high calibre. They protect the rights of the innocent who may be accused, and are equally vigorous in helping to convict the guilty. The Coroner should be complimented for the absence of complaints relating to cases involving civil litigation because of double indemnity insurance claims on account of accidental death and other types of civil claims and litigation. The court conducted by the Coroner, while small, has the dignity that befits it's purpose. The jurors are usually obtained from business establishments by Coroner's Deputies and due care is used to obtain intelligent jurors. The Coroner's staff should also feel honored by the absence of complaints concerning missing belongings, as has come to our attention in other localities.

FACILITIES: The surgery and operating rooms and laboratory are clean and maintained with the appearance of a hospital surgery. Good ventilation now prevails. Refrigerant storage room



CORONER (continued)

is clean and well kept. A viewing room separating the deceased by a glass partition, with adequate rest facilities for the viewers, has been a recent improvement. More than 3,000 deaths are investigated annually, and laboratory work on approximately 2,500 bodies has been performed in previous years.

Statistics for Year 1958: (December estimated)

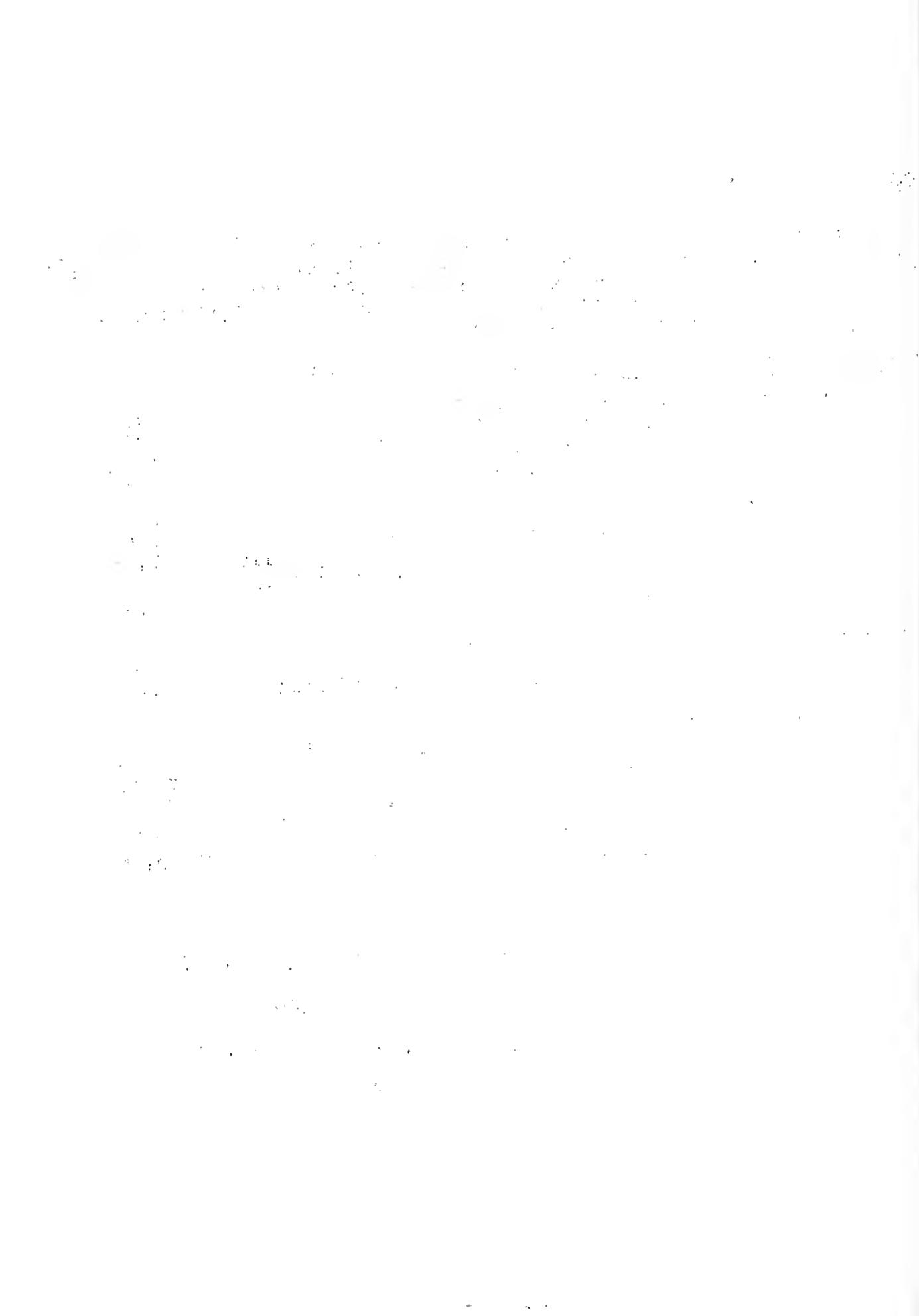
Investigative:	Cases reported to Coroner	3,812
	Miles travelled	26,442
	Cases transported to Coroner's office	2,256
	Fingerprints taken	983
Professional:	Autopsies performed	2,250
	Tissue blocks prepared	2,640
	Specimens examined microscopically	7,915
	Specimens submitted and tested by toxicologist	9,100
Legal:	Inquest hearings	293
	Jurors summoned	412
	Witnesses summoned and examined	1,298
Administration and Clerical:	Cash monies found on deceased and delivered to next of kin	\$19,964
	Estimate of other valuables	\$39,000
	Pages of medical protocols typed from recordings	9,800
	Telephone calls made and received (est)	35,000

CONRAD J. GRIEDER, Chairman

WILLIAM E. BERELSON

HECTOR J. GIUNTINI, JR.

JOSEPH S. QUAN



PUBLIC WORKS

The Department of Public Works under the able direction of Mr. Sherman P. Duckel and his staff is a well organized, important division of the city's function.

The department is staffed to handle projects totalling up to \$20,000,000 annually. If bond issues are approved which appreciably exceed this amount the additional work is assigned to well established architectural firms in the city. By operating in this manner the personnel required by the department can be maintained at a reasonably constant number. This method of operation is also used by commercial enterprises.

There was some implied criticism in the newspapers that money voted for bonds was not spent promptly and therefore costs often exceeded the appropriation. These statements did not give proper consideration of the normal processes required for large projects. The money must be available before plans and specifications can be prepared, which will take about one year. Construction periods normally average about two years, so on the average three years would elapse between the approval of the bonds and the completion of the project if no complications arise.

Some monies voted for sewers, streets, etc. provide funds when a specific need arises.

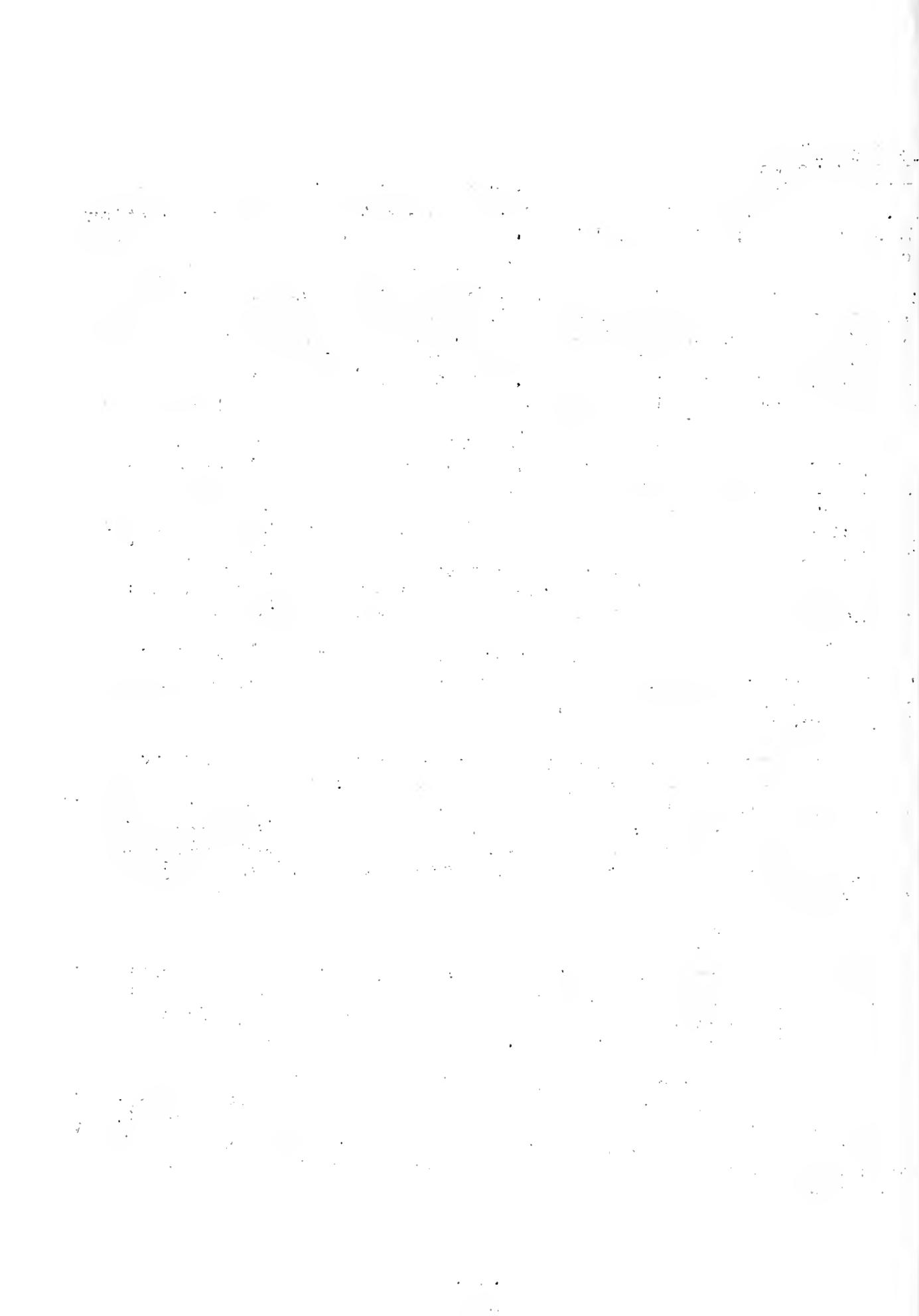
Civil Service

It is recommended that the present practice of placing the candidate with the highest passing grade in an available position be modified on ratings of \$10,000 and above to permit the selection of one of the three top candidates. In positions of greater responsibility and authority the Director should be permitted to select from a group to obtain the person who would best fit the position.

Maintenance Funds

This Grand Jury finds the recommendation of the previous ones with respect to the necessity of providing funds to maintain the city property has never received due consideration from the people controlling the finances.

It would be a good policy to allocate funds annually (possibly a fixed percentage of the tax rate) so the city property could be kept in a reasonably good condition and not be permitted to deteriorate to a point where the voters are asked to approve a bond issue as was done for the Steinhart Aquarium.



PUBLIC WORKS (Continued)

The Board of Education has arbitrarily reduced the value of work below that specified by the charter that may be performed without taking bids. The cost of preparing plans, specifications and the inspection of small jobs makes this practice uneconomical. With present day costs it is believed the \$2,000 charter limitation is too low and that this sum should be raised to about \$5,000.

Replacement of Equipment

It is recommended a plan be inaugurated so vehicles and equipment be replaced on a definite plan, (i.e.) when a passenger car requires a complete motor overhaul it should be replaced. On the assumption an average car would last three years it would be a simple matter to provide funds to keep the fleet in good condition and would probably result in lower cost per mile.

Office of Building Inspection

It is strongly recommended upon Mr. Bush's retirement that his successor be a registered "Structural Engineer" and that this be a requirement to qualify for this position.

This is one of the most important city duties involving the safety of structures. It is necessary to review the plans of outstanding Structural Engineers and Architects, so the person serving the city in this capacity must be outstanding in this field. If necessary, the job should be upgraded to attract qualified men.

With the increasing use of air conditioning, automatic elevators and similar devices, it is recommended a Mechanical Engineer Division be added to this office. These Divisions are self supporting since owners pay fees for review of plans and inspection of installation.

Administrative

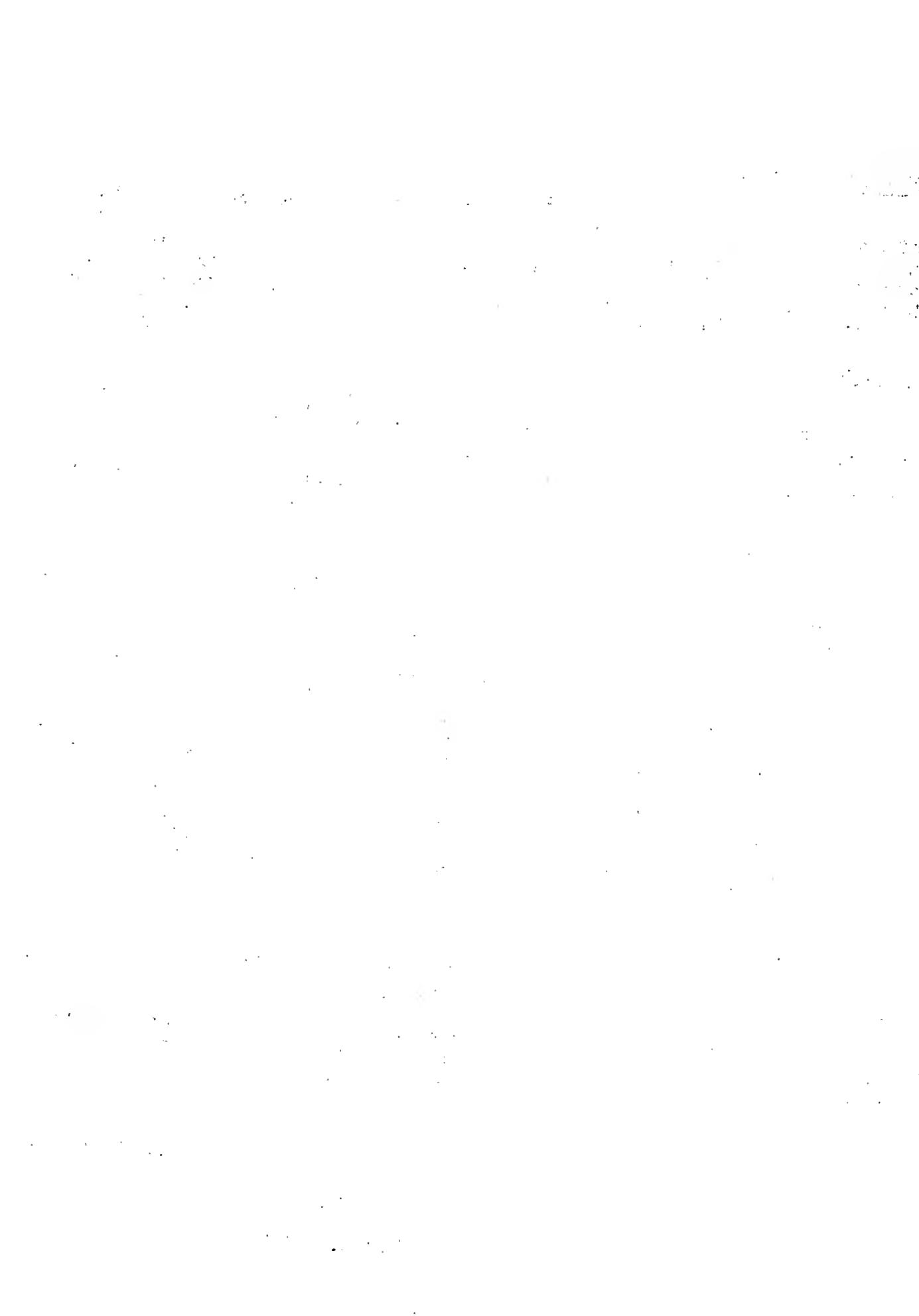
It is recommended the Telephone Switch Board be modernized for efficiency and economy of operation.

It is also recommended consideration be given to the purchase of a suitable computing machine. Industry has found appreciable savings can be obtained by their use.

THORNTON J. CORWIN, JR., Chairman

ROLLAND W. YOUNG

HOWARD H. LOWRY



FIRE DEPARTMENT

Your Committee had several meetings with Chief William F. Murray and were received most cordially by him and his staff who offered much informative information which was of great help to understand the functions of this most important and vital department of our City.

Following is an outline of the Fire Department's extensive activities:

Water

The highly-regarded supply system, both low and high pressure, is being well maintained. Low pressure installations are following the city's growth and changing character. A cross-connection of the High Pressure System between the Sunset and Richmond districts through Golden Gate Park in the vicinity of 10th Avenue will be started shortly. A gravity feed line off a large main, leveling from Summit Reservoir, has been installed and supplements the 10,500,000 gallon capacity of Twin Peaks Reservoir on the High Pressure System with an additional 13,000,000 gallon emergency availability. These are strong additions to a recognized strong system.

The much needed fire boat that has been sought by Chief Murray is now a reality and the danger of a major fire disaster has been greatly lessened.

Safety

Considerable effort is being expended to develop an effective safety program both on the personal injury and accident fronts. Statistical analyses, under a committee appointed by the Chief, are being developed for evaluation toward applying safety measures of fruitful proportions.

Financial

The application of new methods in fighting fires and the adoption of more modern equipment has resulted in a budget drop of some \$50,000 from the 1957-58 Fiscal Year. It is one of the few City departments to submit a reduced budget request, although we believe the reduction in personnel from 1,781 to 1,764 has had some bearing on the request for a lower budget.

Training Program

The department has inaugurated a new training program which is beneficial to the Probationary and New Firemen, in which



FIRE DEPARTMENT (Continued)

they learn the technique and application and rules and regulations of the Fire Department. We have commented upon a few of the many phases of the operation of the Department. A full report of its activities will be set forth in the Department's Annual Report.

Your Committee desires to congratulate the Fire Commissioners, Chief Wm. F. Murray, his personal secretary Chief Wm. P. Lindecker, and the entire personnel of the Department who are trained and dedicated to their vocation, and have helped to build and maintain our efficient Fire Department, second to none in the entire nation.

ROLLAND W. YOUNG, Chairman

JOHN H. CASENAVE

WM. J. RAFFETTO

NARCOTICS

The year just coming to a close is one in which much progress has been made with respect to law enforcement as it pertains to the vicious narcotics problem.

According to the report of the 1957 Grand Jury, an appalling lack of cooperation between the Federal, State and San Francisco agencies appeared to exist. This unfortunate situation continued into the early part of this year. It was in March that a decided improvement became evident. To a substantial extent this may be attributed to the quality of the men who were selected to head the San Francisco narcotics squad, and who were activated on March 17th.

Our numerous visits with the San Francisco narcotic division have convinced us that the City is fortunate to have such a high caliber man as Lieutenant Leslie Dolan to direct the squad, and likewise is fortunate to have Sergeant Frank Brown as the operational head. These are dedicated men, of superior intelligence, and if they continue in narcotics work, San Francisco will profit a great deal.

Earlier this year a new State narcotics officer was appointed for this district. Matthew O'Connor is a hard-working, capable appearing operator, who was formerly connected with the San Francisco Police Department. He has been working closely with Col. White, District Supervisor, Federal Narcotics Bureau, as well as with our San Francisco unit, so it is apparent that last year's situation has been entirely corrected. Another good feature of the current situation, according to Lieutenant Dolan, is that the district attorney's office cooperates fully whenever called upon for advice or assistance.

With respect to cooperation, we were impressed with the fact that a meeting is held every Thursday afternoon in Colonel White's office, with federal, customs, state, and San Francisco participating. Here information is exchanged on all matters that may be important to the various enforcement agencies.

In contrast to the six-man squad of previous years, San Francisco's division now consists of seventeen men. The training of new men in this specialized field is of the utmost importance. Here is further evidence of the fine cooperation of the Federal Bureau. The new men spend the first two weeks of their training period under the guidance of Col. White. The first week is devoted to learning office procedure, and the second week is spent in the field working with Federal men.



NARCOTICS (continued)

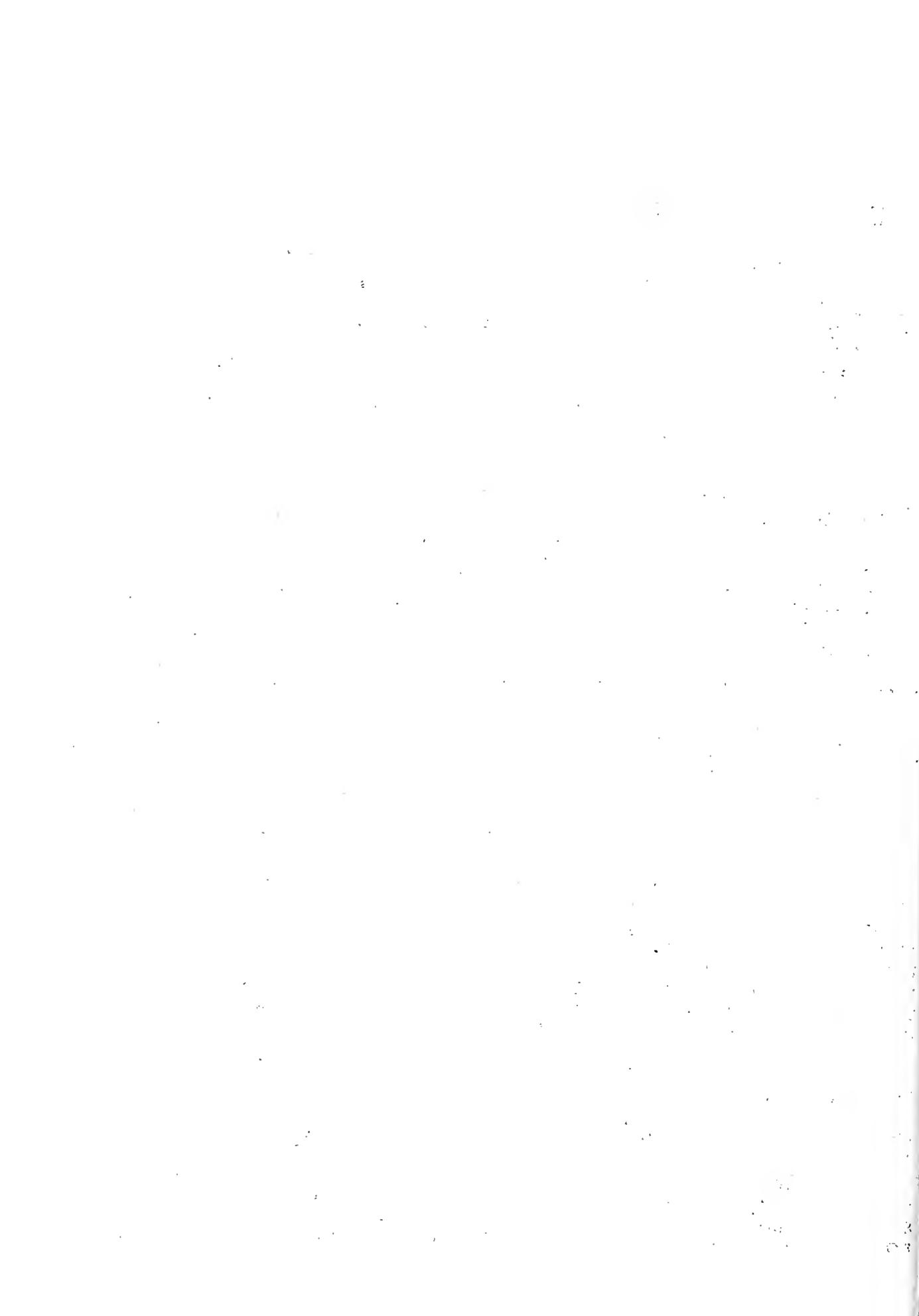
During the year the San Francisco narcotics department introduced a public school education program, which should prove helpful in convincing younger groups of the evils of narcotics. The Board of Education is cooperating with this valuable work by providing an appropriate film. A member of the narcotics squad who has been especially trained to handle this important educational program works closely with the school teachers and school counselors. When narcotic problems arise in our schools, this agent handles them quietly, and he has had considerable success in freeing the potential victims before it is too late.

All branches of narcotic law enforcement are agreed that it is very difficult to track down the large operators. These men work so far in the background that it is rarely possible to reach them. As far as the San Francisco department is concerned, there is only one "Mr. Big" presently working in this area. They know the man, but have not been able to reach him. It is believed that the really large operators have, for the present, left town. This is the result of a declining market occasioned by the difficulty now being experienced by the small dealer because of the aggressive work that is being done by all branches of narcotic law enforcement.

Last year the Grand Jury advocated a separate narcotic fund to be used in apprehending narcotic underworld characters. In June of this year the people approved a Charter amendment that will make \$25,000 available next year. Meanwhile, Chief Cahill, who has a full appreciation of the narcotic problem, and who is reported to be very cooperative, has been providing ample funds.

Oakland and many other cities have been using the drug nalline with considerable success in combating the narcotic evil. Where it is being used, the nalline test is made a condition of parole and probation. The purpose of the test is to determine whether the parolee or probationer has continued the use of narcotics. If an addict is given probation on the basis of agreeing to nalline treatment, it can readily be determined if he has been using drugs since last reporting to the probation office.

The San Francisco narcotic department wants to use nalline, but Dr. Sox, Director of the Health Department, has not yet given his approval. However, we understand that he intends to inaugurate this program around the first of the year. Statewide regulations for administering the nalline test were drafted last June by the State Health Department. Based on the successful experience of other cities, we are confident that nalline would be a distinct asset to the San Francisco narcotic squad. We sincerely trust that no further delay will interfere with the adoption of this program.



NARCOTICS (continued)

While awaiting approval of the nalline program, the San Francisco department has commenced taking close-up color photographs of needle punctures on the arms of persons arrested on narcotic charges. When a person who has been arrested appears in court a few days later, the needle marks are healed, and he denies being an addict. By taking color photographs of the marks at the time of the arrest, positive evidence can be presented in court.

The successful functioning of the narcotics division has become greatly handicapped by recent decisions of the State Supreme Court. Until recently, if a narcotic agent suspected a person of possessing narcotics he was searched, and drugs, if found, were confiscated and the man arrested. The same procedure was followed in entering a man's automobile or home. Now the officer must have a warrant, and by the time he gets one the suspect might be in the next county, or the narcotics passed into other hands.

Another great handicap resulting from another recent Supreme Court ruling is the so-called Priestly decision. This requires the prosecution to disclose the identity of informers in all criminal cases, when demanded by a defendant. To force disclosure of the informer's identity makes it impossible to use informers, for it would place them in serious jeopardy. At a meeting in Fresno on December 5, 1958, the Peace Officers Committee agreed to recommend certain changes in our laws. They will meet again next February in Watsonville, and there approve specific language which will be submitted to the State Legislature at its 1959 session. This proposed narcotic legislation will add a section to the Health and Safety Code which will provide that no evidence in a narcotics prosecution shall be excluded because of the manner in which it was obtained. At the same session of the Legislature it will be urged that legislation be enacted which will eliminate the necessity of disclosing the identity of informants in order to establish reasonable cause for arrest, search or seizure.

This Jury recommends that the 1959 Grand Jury do everything possible to see that this vitally needed legislation is approved at the 1959 meeting of the State Legislature. Attorney General-elect Mosk has said that the present law regarding informers is bad legislation, and he would no doubt gladly assist in effecting the greatly needed revisions in the law.

In dealing with dope peddlers, the federal courts are justly severe, whereas, in many instances, the state courts are incredibly lenient. Earlier in the year we were inclined to believe that the state laws were not strict enough and that they should conform to federal laws, which were much more drastic; i.e., the penalty for a first offense is 5 years, for the second, 10 years,



NARCOTICS (continued)

and for the third, 20 years. Recently, in discussing this subject with the district attorney's office, we were told that our law is satisfactory if handled appropriately by the state courts.

It is our opinion that the state courts or the Adult Authority should not allow probation or parole to anyone convicted of selling or possessing narcotics. Furthermore, we do not believe trial courts should disregard prior convictions which have been alleged and proved in narcotic prosecutions, when sentencing second offenders.

There has been considerable talk concerning what has been called the "English System." We have investigated this "system" rather extensively and find nothing to recommend it. The continuation of supplying dangerous drugs to a "patient" solely for the gratification of addiction will not effect cure, even when decreasing amounts are administered. We are told that addicts require increasingly larger "fixes", and if decreasing amounts are given, they merely supplement the quantity by narcotics secured from other sources. Our federal, state and local narcotic heads are in agreement that the so-called "English System" is without merit.

Referring again to the aggressive work of the San Francisco narcotic squad, twenty-eight arrests were made during the week beginning December 1st. This is somewhat above the average, which has been twenty per week. Further evidence of the impressive activity of the Department is the fact that the men have investigated 793 complaints since the new force was activated on March 17 of this year.

MILLARD S. BURY, Chairman

MRS. MARGARET KLAUSER

JOSEPH S. QUAN

WILLIAM E. BERELSON

MAYOR

Although we are sure that much has been accomplished by our hard working Mayor, this has been a difficult year for the Grand Jury to truly appraise his official activities. To follow the procedure of some of the previous Grand Juries and simply pass along reports of the various projects which have been brought to a successful conclusion, as well as those on which time presently is being devoted by the Mayor, would greatly minimize the task of preparing this presentation. However, this Jury decided early in the year that final reports would be based on our own observations and experiences, and we shall endeavor so to do here.

The year did not get off to a particularly auspicious start with respect to the office of the Mayor. Although our first meeting in February was entirely harmonious, the disturbing thought was left with us that certain of the selected jurors were reported to be intent on opening up the city and by other means were desirous of interfering with the good work of the Administration. The identity of the communicator of these telephone or personal warnings was not revealed then, nor at any later date, and subsequent activity of the Jury has made it evident that such rumors were entirely unfounded.

Following our first visit, we did not meet with the Mayor for approximately six months. This for the reason that his good efforts to win the Republican nomination for U. S. Senator necessitated his being away from San Francisco some part of the first half of the year, and we knew his time here would be fully occupied with the affairs of his office. The Mayor advised that he had appointed one of his able assistants to serve as his Grand Jury representative but we did not take advantage of this arrangement, as we felt that it would be preferable to limit our contacts to him.

In conducting his campaign outside the San Francisco Bay Area, the Mayor told us that he planned to utilize the time which he had accumulated for vacations, etc. After this credit had been exhausted he said that he intended to remove himself from the City's payroll for the remaining period of his campaign in outside areas. We believe this action to be highly commendable, and feel that it is one which should be followed, voluntarily or by law, by all municipal, state, or federal employees who campaign for other offices in our government.

Early in the year the Mayor stated that things are done differently in the political world than they are in the field of business. Our observations have caused us to have a full appreciation of the accuracy of this statement. However, in view of the successful business experience of the Mayor and our new Chief Administrative Officer, we are confident that, regardless of Charter



MAYOR (continued)

or Civil Service handicaps, policies and practices will be developed that will greatly improve the workings of our city government.

An example of sound business practice was given us by the Mayor last August when he advised that the last two budgets contained some \$3,000,000 which were intended to aid in catching up on deferred maintenance. This is a sizable sum, but far more is needed if our buildings and equipment are to be brought up to a standard that will result in truly efficient and economical operations. Because of what may have been considered political expediency by those previously heading our local government, maintenance was held to an unsound minimum, and we now find ourselves confronted with the need of a major rebuilding program. As the essential bond issues failed to carry at the last election, the funds necessary to do the work are not available. This failure was the result of the necessity of securing two-thirds majority approval of the voters. As it is generally known, a clear majority did approve all of the bond issues for those greatly needed projects. The Grand Jury recommends that the Mayor work with the Board of Supervisors in the interest of prompt removal of the two-thirds figure. We do not favor a simple majority, but we do believe that a figure of 60% would be thoroughly sound and would far better serve the interests of our city.

Some time ago we discussed with the Mayor the long delay in utilizing some of the funds that have been voted by the people. We believe that when voters approve a bond issue they do so under the impression that the project is one for which there is immediate need and which will be started and completed within a reasonable period. We are sure the voters assume that those responsible for the bond proposals intend the funds for specific undertakings, and that the amounts asked for represent the best estimate of the actual cost of the completed projects. With this assumption the Mayor is in agreement, for, in speaking of the various issues, he said, "They are all needed. They're imperative; otherwise there wouldn't have been a bond issue for these funds."

In discussing this subject with the Mayor, we were referring to many issues, but we will review only two here: the Firehouse issue of 1952 and the 1954 Sewer issue. The 1952 Firehouse bond issue is a good example of what happens when there is a considerable delay in completing a building program. When the \$4,750,000 bonds were voted six years ago, we understand the money was intended to cover the cost of 19 new firehouses and the renovation of 23 others. According to a recent report, only 11 new firehouses were built, and 13 reconstructed. Six years after the issue was voted the unsold bonds in this issue total only \$550,000, which means that very little more of the original program can be completed.



MAYOR (continued)

In June, 1954, the people approved a \$12,645,000 Sewer bond issue, and three years later - June, 1957 - \$10,145,000 of the bonds were unsold. Recently there has been considerable more activity concerning our sewer program, but as of October 27, 1958, we still had \$3,045,000 of this issue unsold.

It is appreciated that bonding limitations and other factors may adversely influence the completion of projects. However, we believe that the major fault is one which our city officials could overcome if the initial bottleneck is removed.

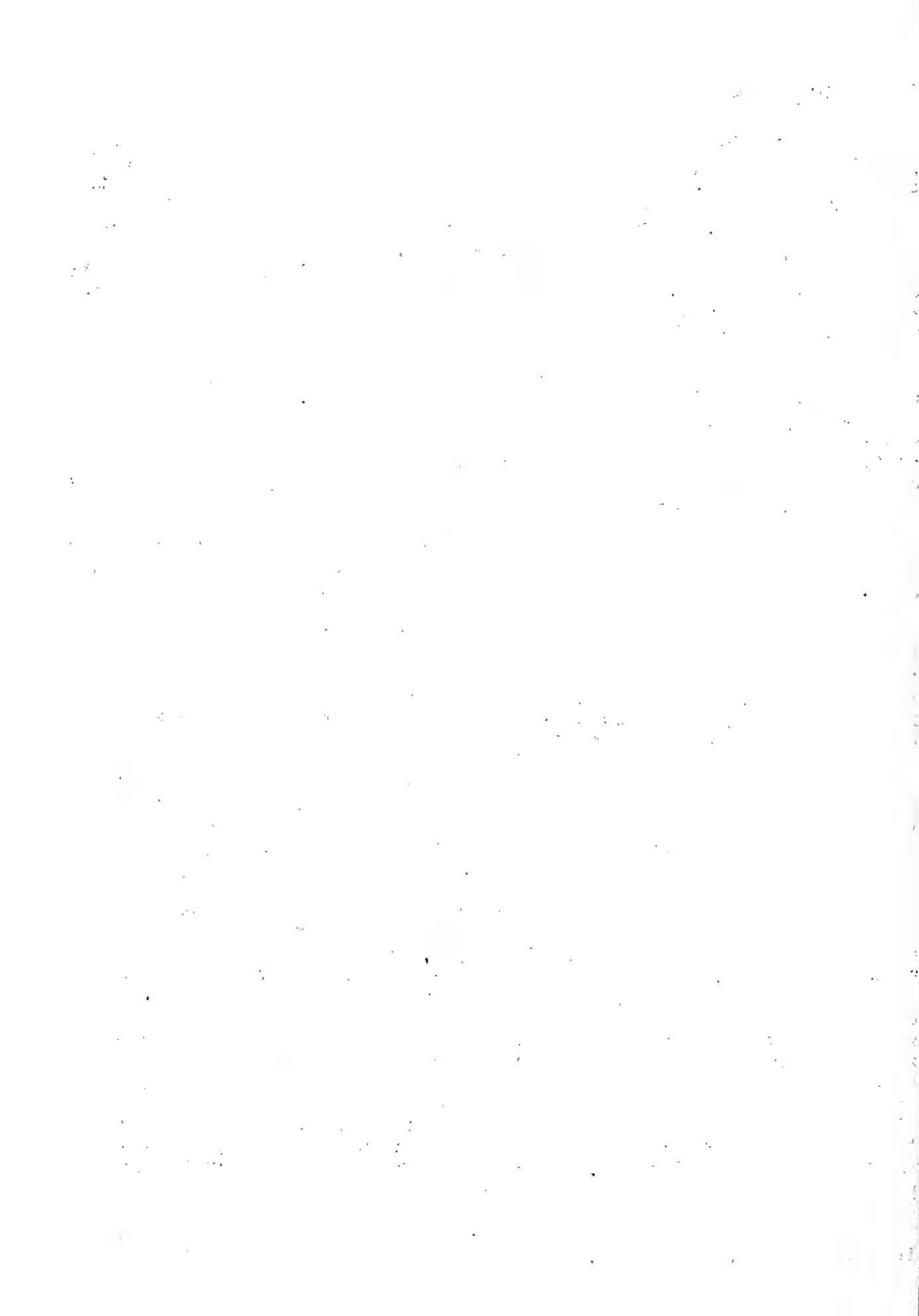
The Mayor informed us that the only way construction could be expedited would be to assign projects "... to private architects, get engineers, hire them, put them all to work and start building immediately." He pointed out that it would be illogical to double or triple the local staff in the City Hall, as this would result in having a lot of excess civil service employees after the projects are completed.

The Mayor informed us further that, "When people vote for a given sum of money that's all you spend, and you don't go beyond that." We agree with this viewpoint, but we believe the people have a right to expect completion of the projects, and that the funds will be used only for the work which was intended when the bond proposals were submitted.

It has been suggested that because bonds are not sold until the money is needed there is no cost to the city. This is true with respect to interest costs, but great savings could be effected by substantially speeding up the work that is to be done. If other activities and limited personnel make it apparent that projects cannot be handled within a reasonable period by the regular City Hall staff, we are of the opinion that efficiency and economy make it logical to take whatever steps are necessary to assign the work to private concerns.

No doubt the Mayor and our able Chief Administrative Officer recognize the importance of speeded-up programs, especially where sizable bond issues are involved, and we are sure the citizens of San Francisco will welcome the marked improvement resulting from efforts along this line by these two top city officials.

Our observations during the year prompt us to suggest to the Mayor that he recommend certain charter revisions to the Board of Supervisors. One such revision would be in the clause which provides that purchases over a certain minimum be made only on a bid basis. The Mayor has said that, "Our Charter and our law provide that we must do all of our purchasing and building by bid. That's our law." However, we observe a growing tendency to bypass



MAYOR (continued)

this very sound provision by establishing non-profit corporations which enable city officials to channel large contracts to specific firms. We feel that the people have greatest assurance of maximum returns on the funds they authorize when the customary bidding procedure is followed. From their standpoint, we believe it will be most unfortunate if any other plan of contract assigning is practiced.

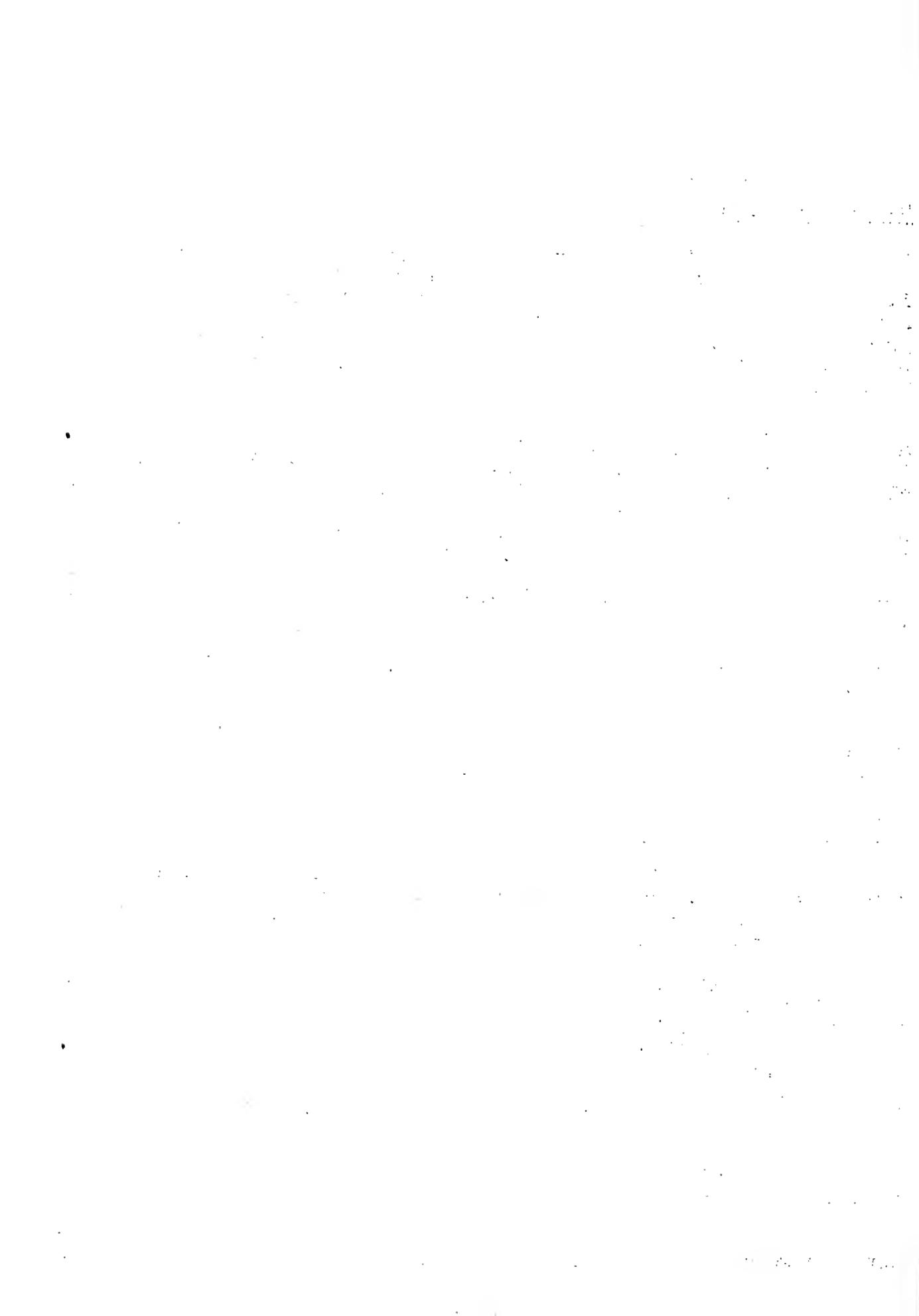
The president of the Board of Supervisors has suggested a Charter provision which qualifies for the full support of the Mayor. We refer to the well-publicized "Conflict of Interest" clause. The "Right to Serve" is a privilege that many of our leading citizens would welcome, but only if the charter provision is such as to preclude the possibility of publicity similar to that recently appearing in the press. We believe the Mayor and the Board of Supervisors should see that the text is so clear and simple that the making of quick decisions by the responsible city officials will be possible. This will avoid a repetition of the case that dragged on in the papers for approximately three weeks before a favorable decision was rendered, and will encourage top quality men to participate more fully in the affairs of our city.

We sincerely regret that the Mayor has been so vocal concerning the Grand Jury during the last several months. To anyone familiar with the actual situation, his loud and harsh singing has been decidedly off key, and, therefore, might have been considered offensive had it been listened to seriously by those to whom his songs were dedicated.

The last few months have proven a delightful field day for the press, but the continued and unjustifiable "Blasts" - as one paper has frequently headlined the Mayor's outbursts - ill become a man who holds the chief executive office of our great city.

In defense of the Mayor we want this record to show that some of his irritation was the result of early incidents which did not originate with him, and which were entirely unjustified. It is said that "To speak ill of others is a dishonest way of praising one's self." This saying is not entirely appropriate with respect to the Mayor, for his honesty and integrity have never been questioned. We feel, however, that by speaking ill, through the use of erroneous innuendos and a continuous flow of derogatory remarks, the Mayor could have lessened the value and importance of the work and decisions of this 19-man -- not one-man -- Grand Jury, had the people of San Francisco accepted such remarks as factual.

We believe it would be well for our Chief Executive Officer to recognize, a little more fully, that, although his election



MAYOR (continued)

as Mayor of San Francisco carries great authority and responsibility, it does not include the unlimited power of omnipotence. He should more fully recognize that there will be times when his views will not be in harmony with those of others, but this does not mean necessarily, that the others are always wrong and he always infallible.

It is our conviction that many of the remarks credited to the Mayor would not have been uttered if a little more time had been permitted to elapse before commenting to the press. Had this sound procedure been followed, many of his statements would never have appeared in the papers. Surely he would have refrained from going outside of his own field of responsibilities to criticize the work of our highly respected Presiding Superior Court Judge and our capable District Attorney and his efficient assistant, whose duties included the selection of the 1958 Grand Jury. Nor would he have been quoted as the source of the many false implications regarding the Grand Jury that have been published in our newspapers during the last several months.

In view of this situation, we respectfully recommend that the Mayor discontinue his frequent meetings with reporters, and establish a weekly press conference. This will enable additional reflection on matters which he wishes to publicize, and with less impulsive fire and with greater calmness reflected in his responses, more accurate and truly informative data will be submitted to the people.

We have a high regard for the Mayor's sincerity and for his many fine accomplishments. With greater consideration given to the views of those with whom he may not be in agreement, we feel that he can add a little more to the dignity and effectiveness of his high office.

MILLARD S. BURY, Chairman

MRS. MARGARET A. KLAUSER

HENRY L. GIBBS

CONTROLLER

It is the responsibility of the Controller to see that money budgeted or otherwise appropriated is spent in accordance with the plan approved by the Mayor, the Board of Supervisors and the departments requesting the funds. The Controller is also responsible for managing the City's debt by arranging for the redemption of maturing bonds and the payment of interest on outstanding bonds and by arranging for the sale of bonds as needed to meet the requirements of the authorized projects.

During the period July 1, 1957 to October 31, 1958 the City sold \$79,550,000 of bonds to bring the outstanding bonded debt to \$246,825,000 at the end of October. The City is now within \$42,000,000 of its maximum bonded debt limit and the Controller may in the next few years be faced with financing problems in this connection. Bonds authorized by the voters but not sold or issued as of the end of October, 1958 amount to \$68,875,000, but these could not, of course, all be issued at once, since the bonding limit would be exceeded. In actual practice the margin for future bond sales is increased by the amount of bonds redeemed, and this, together with the fact that the controller sells bonds only as the funds are needed, will probably avoid pressure on the debt limit in the near future, unless substantial amounts of new bond issues are voted.

During the period July 1, 1957 to October 31, 1958 the City issued the remaining \$5,350,000 of bonds which had been authorized by the voters in 1947 and 1948. Therefore, as of the end of October no bonds authorized earlier than 1952 remain unsold. In connection with recent bond sales it is observed that \$1,420,000 of 1947 Street Improvement bonds and \$1,500,000 of 1944, 1948 and 1954 Sewer bonds were sold to provide access roads and sewers for the San Francisco Municipal Stadium (Giants Stadium). These amounts are in addition to the sale of \$5,000,000 of 1954 Recreation Center bonds specifically voted for a recreation center.

With respect to the use of the street and sewer bonds for the purpose indicated above, the Controller has furnished to the Grand Jury a copy of an opinion by the City Attorney indicating that money voted for streets, roads and sewer improvements can be used for improvements on property under the jurisdiction of the Recreation and Park Commission. The Controller therefore acted on the advice of the City Attorney in permitting the bond proceeds to be so used. However, the question has been raised whether the use made of the funds is consistent with the announced original purpose of the bond issues, irrespective of the legal course followed.

Preliminary figures supplied by the Controller indicate that revenues during the fiscal year ended June 30, 1958 amounted



CONTROLLER (continued); TREASURER

to \$178,735,000, exclusive of public service enterprises such as the Water Department, Hetch Hetchy, Airport and Municipal Railway. Of this total, property taxes and penalties accounted for the sum of \$99,075,000, or 55.4 percent, the remaining \$79,660,000 coming from the retail purchase and use tax, from our share of state taxes, and from state and federal aid programs, as well as many miscellaneous sources, such as court fines, licenses, interest on bank deposits, etc. Total expenditures for the year ended June 30, 1958 totaled \$174,861,000.

The office of Controller is one of the most important positions in the City government, and Mr. Harry Ross, the Controller, is one of the most trusted and respected officials in San Francisco. We found Mr. Ross to be helpful and cooperative at all times in answering questions and furnishing information to your Committee.

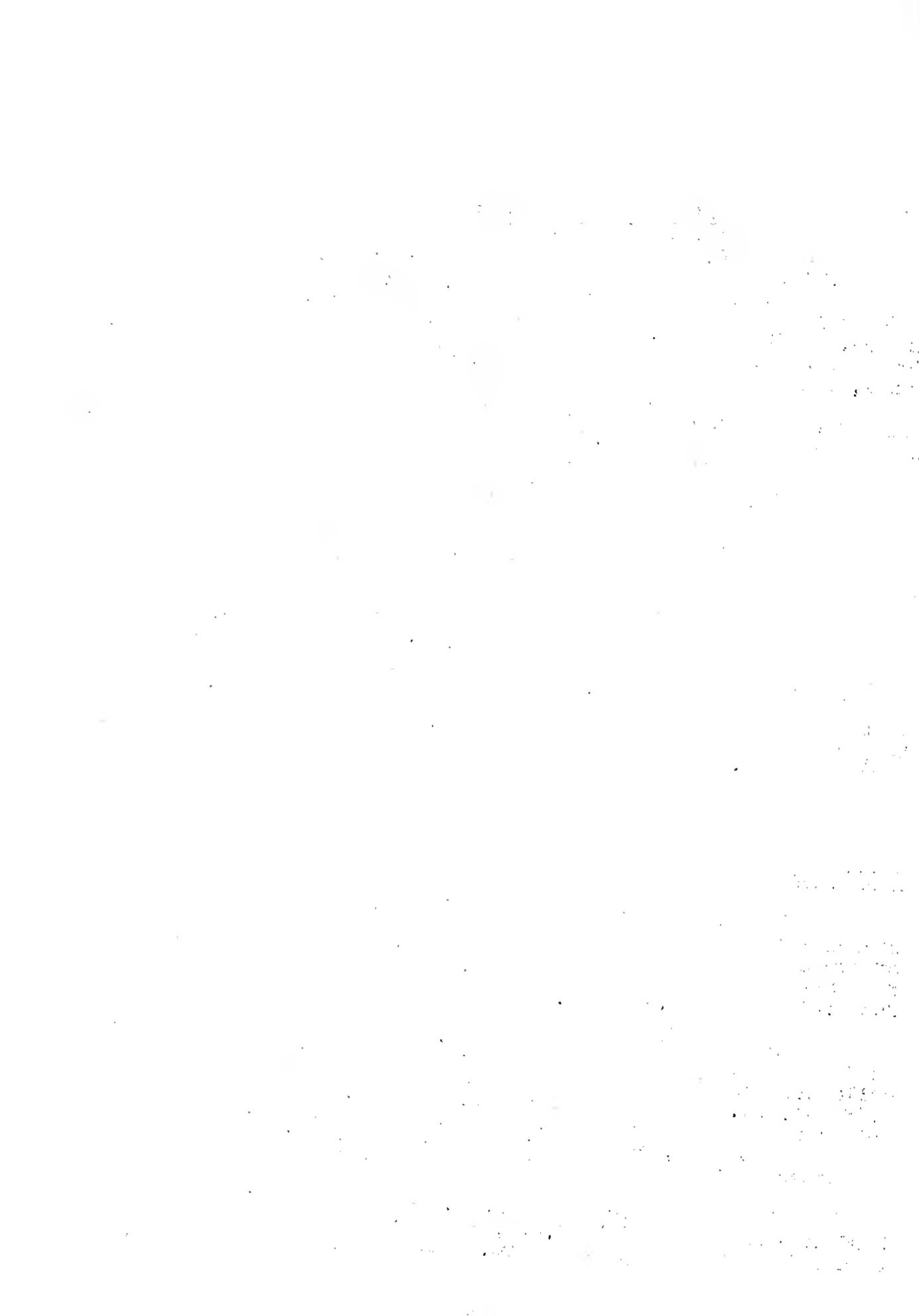
We would like to take this opportunity to commend Mr. Martin Steinbeck, Supervising Accountant, for a conscientious and thorough job in connection with the preparation of the many audit reports prepared under his supervision during the year. Copies of these reports were sent to your Committee and were of considerable help in reaching an understanding of the work of the offices and funds audited.

TREASURER

The Treasurer is the custodian of cash, bank accounts and securities which are held for many departments and for a variety of purposes. As of June 30, 1958 the Treasurer was accountable for cash and bank deposits of \$144,741,000 and securities with a face value of \$398,482,000.

Deposits totaling \$142,944,000 as of June 30, 1958 were on deposit with 14 banks in San Francisco and were secured by collateral consisting of securities with a market value of \$188,331,000. The law requires that bank deposits be secured by collateral with a market value at least 10 percent. in excess of the balances held, and collateral held by the Treasurer was well in excess of the amount required at each of the banks.

The Treasurer, Mr. John J. Goodwin, is covered by a surety bond in the amount of \$200,000, while certain staff members are bonded for faithful performance. All employees of the City are



TREASURER (continued) PURCHASER

covered under a blanket surety bond in the amount of \$50,000. The annual audit report of the Treasurer's accounts, prepared by the office of the Controller, has for several years recommended that the surety bond be amended to include three positions in the Treasurer's office which are not now covered. It is believed that the Controller has good reason to make this suggestion, and your Committee recommends that the matter be considered by those in a position to make a decision.

PURCHASER

Supplies and services purchased for the City amount to over \$15,000,000 annually on more than 45,000 purchase orders, so that the Purchaser is in a position to direct the expenditure of more money for a greater variety of products than any other department of the City.

Your Committee was favorably impressed by the efforts of the Purchaser, Mr. Ben Kline, to use competitive bidding wherever possible and to foster the idea that, given a bona fide free market, "a competitive price is a fair price." Mr. Kline is vigorously opposed to proprietary buying as a general policy, but is not inflexible in this regard where variations in quality exist or where a need for a certain product can be demonstrated. (The charter places safeguards around contract awards, since the Purchaser must notify the Mayor, the Controller, and the Chief Administrative Officer if a contract is awarded to other than the low bidder.)

In addition to the purchasing function, the department operates the following:

1. Central shops for the maintenance and repair of automotive and other equipment for all city departments except Public Utilities.
2. Central stores for various departments such as Park-Recreation, Municipal Railway, San Francisco Hospital and Laguna Honda Home.
3. Sales of metal, timber, used automobiles (in lieu of trade-ins) agricultural products, and a variety of other materials, all with a total value of over \$200,000.
4. Perpetual inventory record of equipment in the various City departments. The Purchaser's Annual Report for 1957 indicated that equipment of several departments was checked.

PURCHASER (continued); RETIREMENT SYSTEM

5. The Tabulating and Reproduction Bureau, which performs services for various City departments. The work of the Bureau includes machine tabulating of traffic citations, printing block book maps, etc.

RETIREMENT SYSTEM

The San Francisco City and County Employees' Retirement System is administered by a Retirement Board of seven members, including three elected by the members of the System and two appointed by the Mayor. They are: Francis McCarty, President of the Board of Supervisors, Norman Wolff, Asst. City Attorney, James Hamill (life insurance company member appointed by the Mayor), Philip Dalton (bank officer member appointed by the Mayor), and the three elected members, William Reed, William Murphy, and Martin Wormuth. The actual day-to-day operations of the System are under the direction of John L. Mootz, Secretary.

The services of a consulting actuary are used, and actuarial audits are made periodically. An annual accounting audit is made by independent certified public accountants.

Bond investments of the System were \$210,148,500 on June 30, 1958, an increase of \$16,758,000 during the fiscal year then ended. Your Committee was supplied with copies of the City Controller's monthly report showing interest accountability, total investments held, and bonds purchased and matured.

The above investments and the other assets of the Retirement System were held, as of June 30, 1958, for the benefit of 19,648 active members and 5,077 retired members or their beneficiaries. During June, 1958 the 5,077 retired employees or their beneficiaries were paid a total of \$900,085, or at the rate of approximately \$10,800,000 per year.

Your Committee was interested and somewhat surprised to learn that the Retirement System does not publish an annual report for the benefit of its members and others interested. While the audit report prepared by the outside accountants and the reports prepared by the City Controller provide essential information for those responsible for the management of the System, there seems to be no information distributed to the membership on an annual basis regarding such matters of general interest as the number of retirements, actuarial experience, financial condition, earnings on investments, rate of earnings, and similar matters. It is suggested that consideration be given to the publication of such an annual

RETIREMENT SYSTEM (continued) FINANCE AND RECORDS

report along the lines of similar reports prepared by retirement plans of large industrial corporations.

During 1958 the office of the Retirement System moved to new and larger quarters at 93 Grove Street, in the Civic Auditorium. The need for additional space has been recognized by Grand Jury committees for several years.

FINANCE AND RECORDS

The Department of Finance and Records is an administrative office headed by the Director with a staff of one employee. It includes the supervision of the following five separate offices or bureaus:

Tax Collector
County Clerk
Recorder-Registrar
Public Administrator
Records Center

The functions of the Director of Finance and Records have, since 1955 and until this year, been exercised by the Chief Administrative Officer. With the appointment in August 1958 of Mr. Virgil L. Elliot as Director of Finance and Records, the pre-1955 setup was resumed, so that each of the five bureaus now reports to the Director of Finance and Records, who in turn reports to the Chief Administrative Officer.

A further expansion of administrative positions may take place with the retirement of Mr. Thomas A. Toomey, Recorder-Registrar, as consideration is being given to appointment of a Recorder and a Registrar, rather than continuing the two positions under a single head as has been the case for many years. If this is done by promoting men within the respective bureaus, as is contemplated, a saving could take place provided the individuals promoted did not have to be replaced. If additional appointments are made to replace the two men promoted, then total salary expense will, of course, be increased.

Comments regarding the activities of the bureaus under the supervision of the Director of Finance and Records, other than the Records Center mentioned below, will be found in the reports of the respective Grand Jury committee to which those activities are assigned.

FINANCE AND RECORDS (continued)

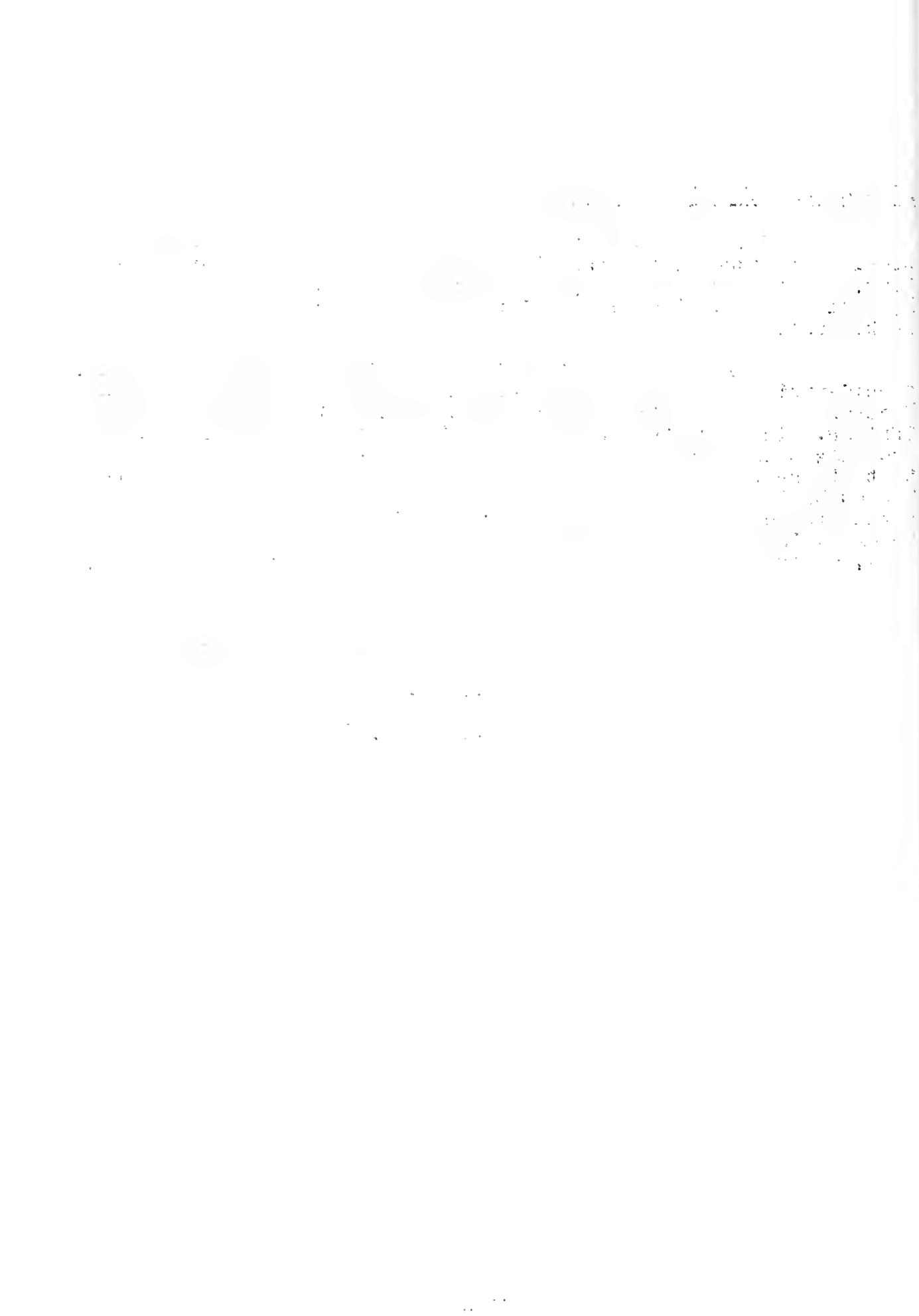
The Records Center is charged with the responsibility of storing or microfilming the old records of all departments of the City. At present, about 20,000 cubic feet of records are stored at 150 Otis Street. Records on microfilm are stored in a cave in Twin Peaks tunnel.

It is suggested that in appointing committees for 1959, consideration be given to assigning the Department of Finance and Records to the committee which also has the Chief Administrative Officer. The fact that the office of Director of Finance and Records has been vacant for three years until recently would suggest that at one time it was considered advisable to have the various bureau heads report direct to the Chief Administrative Officer. By having the same Grand Jury committee review the work of both the Chief Administrative Officer and the Director of Finance and Records, a more accurate appraisal of the latter position can be made.

HOWARD H. LOWRY, Chairman

LEO J. MURPHY

CONRAD J. GRIEDER



ASSESSOR

Inspection of the operation of the Assessor's Office confirms the findings of prior Grand Juries with regard to the efficiency of the technical staff, and the courtesy with which the public is treated.

The efficiency of the technical staff is seriously endangered by the loss of expertly trained personnel to other city departments. This is due to an inequitable salary situation which places a \$115.00 per month maximum differential between a Real-Property Appraiser and a Right of Way Agent. The latter is by promotional examination. Both positions require similar qualifications. The existence of this curious salary differential has caused nine Real Estate Appraisers to take promotional examinations and leave the Assessor's Office for the office of Director of Property over the past two years.

The Civil Service Commission should give this situation its prompt and careful attention, looking to corrective action.

Mailing Returns

Assessor Wolden has done everything in his power to make personal filings convenient for the public. However, in our opinion, it would be a real public service if, as is the case with the filing of Federal and State tax returns, personal property declarations could be handled by mail.

"Blight" Areas

This Committee believes that a very serious problem is presented both to the Assessor and to property owners generally by the loose designation of areas as "blighted". An area once declared blighted for any purpose means that property titles are clouded, values plunge, tenants seek other space away from the blighted area, and the designation of blight discourages maintenance and improvement of property to such a degree that the blight becomes an observable physical fact.

We urgently recommend that the Grand Jury as a whole take every step available to it to insure that the designation of blight-for whatever purpose-should be followed up promptly by the action contemplated when the blight label was placed upon the properties in question.

It makes no sense, as has happened in the Western Addition and South of Market areas, to designate a given number of blocks as blighted, to let them remain in that category for an indefinite period of time, and then to shrink or to expand the area designated "blighted."

ASSESSOR (Continued)

The designation should not be used unless or until the governmental agency responsible for the designation is prepared to proceed forthwith with the acquisition of land and its conversion to the purpose for which the area was declared blighted. This procedure would be fair to the property owners concerned and would help to stabilize the assessed valuations of the areas in question.

Our Shrinking Tax Base

This Committee conferred with Assessor Wolden at some length on the very serious impact of land removed from the rolls by governmental agencies for Freeway and Redevelopment purposes.

The loss of buildings due to demolition for Freeway purposes plus the loss of land due to Federal, State and City acquisition of privately owned properties totaled \$1,093,563.00. It was impressed on our Committee that all removals of properties are a permanent loss to the tax rolls and the monetary losses must be spread among the remaining property owners.

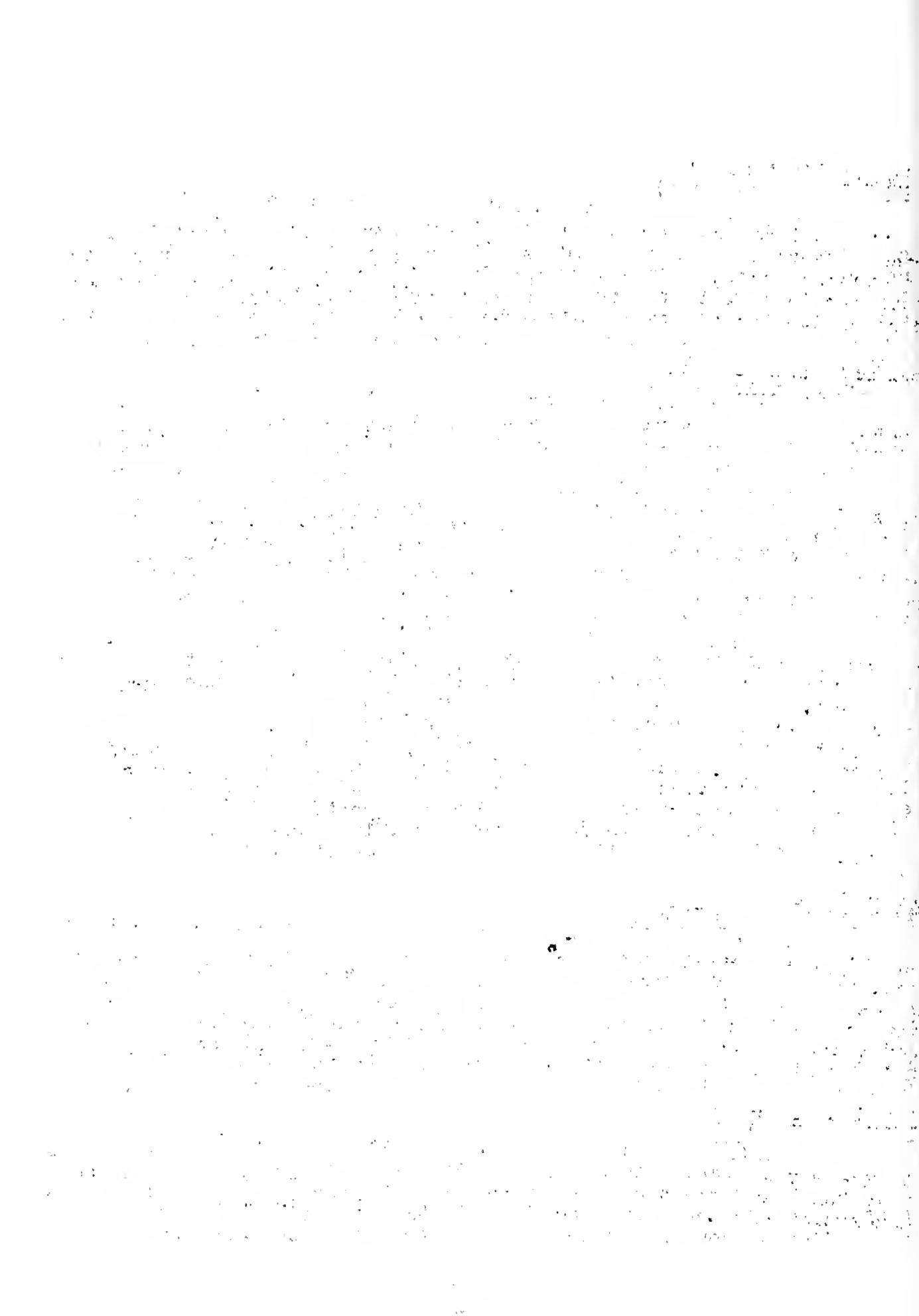
With regard to Freeways, it must be pointed out that land removed from the tax rolls for Freeway construction cannot be replaced within the boundaries of the City and County of San Francisco. The direct and immediate loss of assessable properties means that remaining properties must bear both their own share of the tax burden and, in addition, must make up for the properties lost to Freeways. Thus it appears to this Committee that a very careful re-evaluation of the traffic-ways portion of the Master Plan should be undertaken, and such re-evaluation of the Freeway program should analyze in detail the tax impact on local property owners.

Redevelopment Projects

These projects, too, plunge the properties in question to the blighted level, and there such properties will remain until the obligations of the Redevelopment Agency are extinguished. This means that San Francisco taxpayers will be subsidizing redevelopment operations for possibly twenty or twenty-five years since the redevelopment project will yield no increased tax revenue to the City until all the obligations of the Agency are extinguished.

Contiguous Areas

Confronted as he is with the loss of assessable land due to Freeway and Redevelopment projects, Assessor Wolden has suggested that San Francisco should take whatever action is necessary for the annexation of contiguous areas. This Committee concurs with his



ASSESSOR (Continued); TAX COLLECTOR; SALES TAX

suggestion that legislation should be sought which would permit any contiguous area wishing to do so, to become annexed to San Francisco without referring its wish for annexation to the permissive vote of the entire County in which such an area may be situated.

This is perhaps the last means available to expand San Francisco's tax base and to replace taxable properties either permanently lost for Freeways, or temporarily removed from the Assessment Roll for redevelopment purposes.

Title Holders

In view of the extensive redevelopment projects planned in San Francisco, this Committee believes it to be in the public interest that title holders should be of record and not permitted to avail themselves of the cover of a Title Insurance Company for purposes of concealing their interest in such property. We feel that the Assessor's records should reflect the actual ownership of every parcel of property in the City and County of San Francisco. Mr. Wolden assured us that this may be done in strictest confidence in the Assessor's Office if the true owner feels that public notice of ownership or intent of ownership will cause hardship.

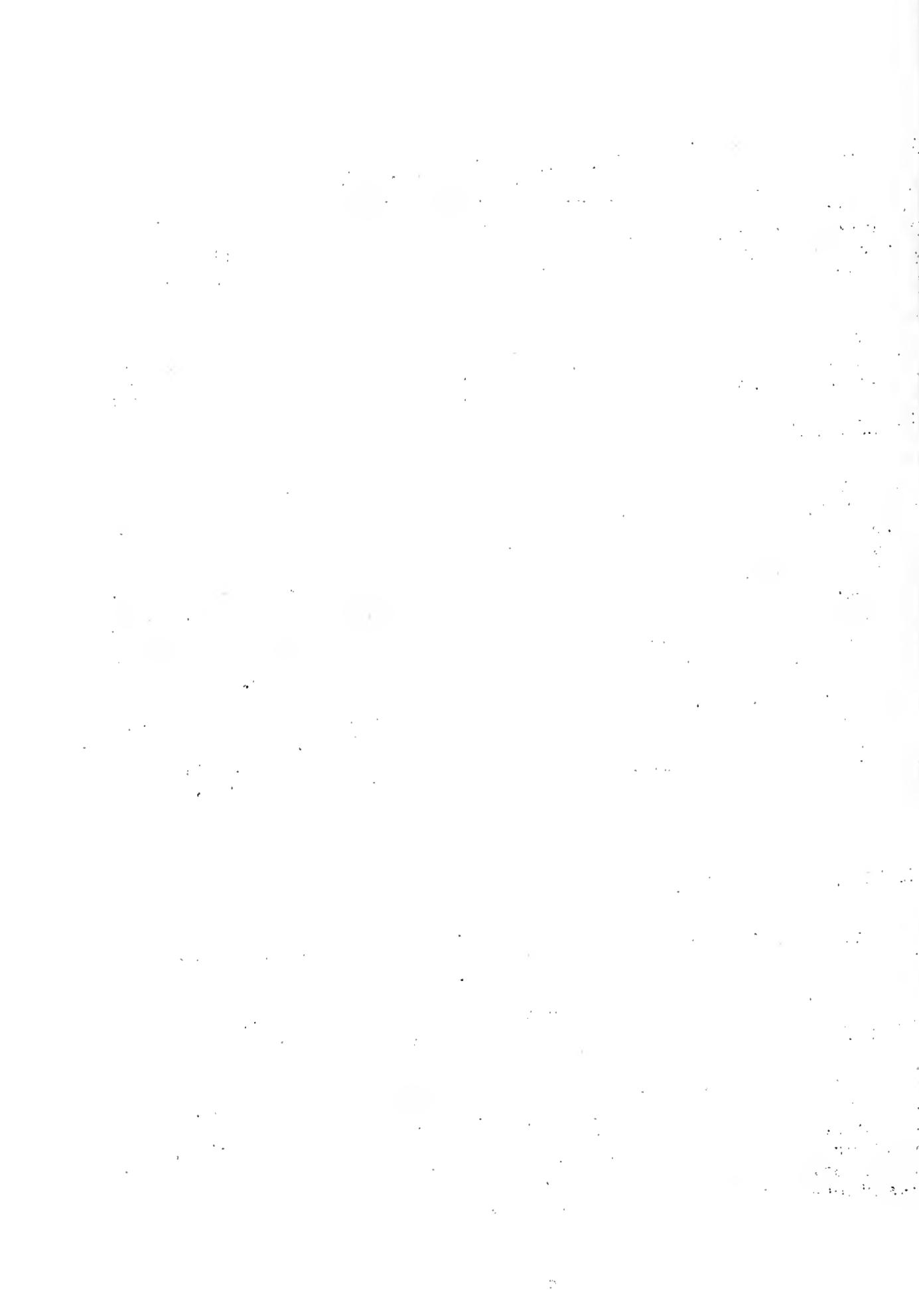
We recommend Assessor Wolden not alone for the technical proficiency and unfailing courtesy of his personnel, but also upon the forward-looking analyses and studies he inaugurated to translate various civic programs into dollars and cents tax cost.

TAX COLLECTOR, SALES TAX

The Tax Collector and his staff through the fiscal year ending June 30, 1958 collected \$104,415,000.30 which is an increase over the past five years of \$35,000,000.

Total cost to San Francisco for collection during the fiscal year amounted to one-half of 1% of the amount collected, which is the lowest it has been in years.

1958 was the first year that the State of California has taken over the collection of the City's 1% sales tax and as is true in any drastic change there has been a great deal of confusion. The main problem was the double taxation of Bay Area residents. The State Sales Tax Department has charged a great number of East Bay residents a 1% use tax on top of the sales tax charged by San



TAX COLLECTOR, SALES TAX (Continued)

Francisco, which has not only caused the ire of commuting buyers but has also caused great concern on the part of the majority of retail merchants. Many merchants have refunded the added 1% in order to keep the good will of the purchasers. There have been a great number of claims for refunds from the City for this 1% sales tax for which an audit in each case must be made. It is hoped that by next year the problem of refunds will be non-existent and the Tax Collector's Department will have more time to handle the increasing business brought on by the rise in fees of the parking meters.

While the work load of the department has increased and the amount collected in taxes has risen over 40% in the past five years, the number of permanent employees and the appropriation for temporary help has decreased. Because of the many efficient methods installed by Mr. James W. Reinfeld, Tax Collector for the City and County of San Francisco, the department has not only completed the largest tax return in San Francisco, but has also achieved the lowest percentage of delinquent revenue in the department's history.

The Committee wishes to compliment the Tax Collector and his staff for a job well done.

LEO J. MURPHY, Chairman

WILLIAM J. RAFFETTO, JR.

JOHN H. CASENAVE



DEPARTMENT OF ELECTRICITY

This Committee has met with Donald Townsend, Chief of the Department of Electricity, several times during the year and has completely reviewed the entire plant facility of the Department. As a result, we fully concur in the recommendations of previous Grand Jury Committees since 1953 that new and expanded facilities must be provided at the earliest possible date. This Department has grown considerably in the past ten years and is continuing to grow in responsibilities due to the greatly expanded traffic signal system, radio communications for various public safety and other City Departments, parking meter maintenance and operation, which will be further expanded due to recent off-street parking regulations, as well as the normal expansion of the Police and Fire Communications due to the rapid growth and redevelopment of the City.

At the present time, the operations of the Department of Electricity must be carried on at four different and widely separated, inadequate locations. The basic plant facility is located at 264 Golden Gate Avenue and was constructed in 1911 when the operations of the Department were small as compared to present day requirements. This facility has been condemned for several years past as being structurally unsafe and considered a potential fire hazard by both City and State agencies. The Department of Public Works previously estimated that it would cost upwards of \$155,000 to make the basic building safe for continued occupancy. This would be a waste of public funds since it would not provide immediate expansion for the Department, nor could it increase the efficiency of the Department due to the still crowded conditions that would exist. Therefore, this expenditure has been postponed in favor of the proposed new facility. \$24,000 has been previously appropriated for planning and specifications and City-owned land has been earmarked for this purpose at Jerrold and Quint Avenues in San Francisco; therefore, construction could proceed without delay when funds are made available.

The Department is also using space in an abandoned fire house at 315 Duncan Street and renting space at 1745 California Street and at 276 Golden Gate Avenue. In addition, it is using the basement of the Central Fire Alarm Station to the fullest extent.

The Department of Electricity has consistently requested funds for a new plant facility in accordance with Grand Jury Committee recommendations since 1953 for the purpose of consolidating in order to provide the needed expansion with resultant economies. This item has been deleted in the annual budget hearings each year. The Department of Electricity finally submitted the problem to the voters on November 4, 1958, as Proposition E - Maintenance Yard for the Department of Electricity - in the amount of \$1,500,000. The proposition received a majority vote, but required two-third majority for passage. In the opinion of this Committee, the voters

DEPARTMENT OF ELECTRICITY (Continued)

of San Francisco were not fully cognizant of the importance of Proposition E and we recommend that it be re-submitted to the citizens. This facility is urgently necessary to the efficiency of this public safety department, which must contribute so much to the preservation of life and property.

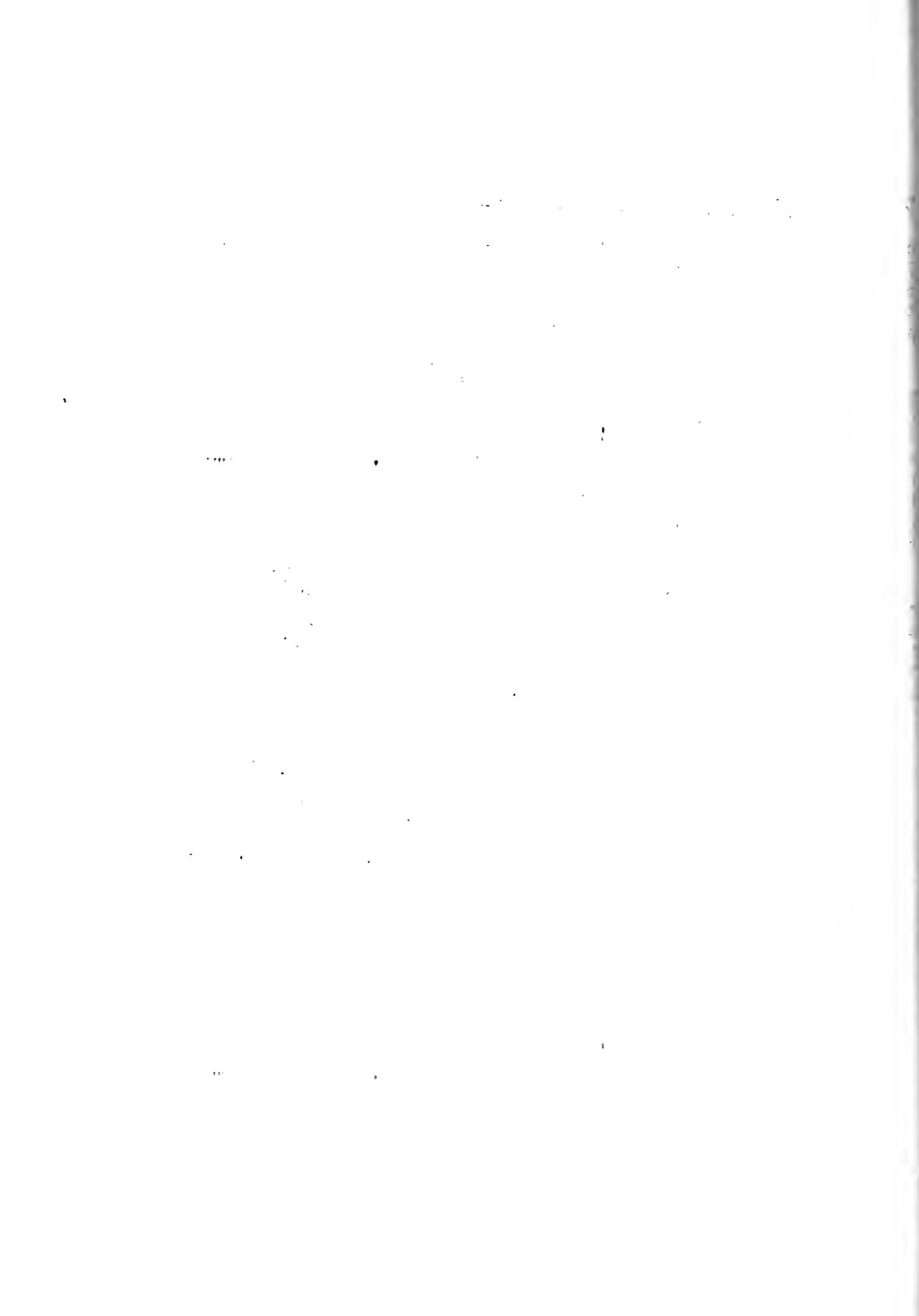
We are informed by Mr. Townsend that funds which would provide a major portion of the new plant facility will again be requested in the 1959-60 Department of Public Works budget estimate. This Committee strongly urges that the incoming Grand Jury Committee, assigned to the Department of Electricity, meet with the Department head to review the existing facilities immediately prior to the budget period with a view to rendering all assistance possible in projecting the urgency of favorable approval of the new appropriation request.

This Committee also believes that additional personnel should be provided at an early date if the Department is to keep abreast of its continuously growing responsibilities. We found that management and the employees are highly dedicated to the public safety responsibilities and doing a fine job despite the extremely inadequate conditions.

ROLLAND W. YOUNG, Chairman

JOHN H. CASENAVE

WILLIAM J. RAFFETTO, JR.



POLICE DEPARTMENT

The San Francisco Police Department is constantly extending every effort to give the people of San Francisco good, active, alert and honest law enforcement. The Mayor's three well qualified commissioners and the able direction of the Chief of Police and his staff are enforcing the closed-town policy, which is almost impossible in a major seaport city in a metropolitan area. San Francisco is one of the few large cities with a three-man police commission, and its police department ranks among the best in the country.

The selection, several years ago, of two young, alert, vigorous police officers with wonderful records and ability to lead provided this City with Chief Francis Joseph Ahern (now deceased) and Deputy Chief Thomas Cahill, present Chief. These officers have given the San Francisco police a vigorous disciplinary policy and a general reorganization, resulting in an aggressive and modern police department. Chief Francis Ahern's death on September 1, 1958 has left a void in the Department ranks, and his untimely death could be attributed to his long hours of police work and tireless efforts to give San Francisco the best law-enforcing unit in the country. As a commendation to his efforts, it is herewith recommended that a portion of the new Hall of Justice be named in his honor.

Cooperation: We have observed that close cooperation exists with the District Attorney's office, Courts and the Sheriff's department. The plan of close cooperation by the police, sheriff and health departments in conjunction with medico-psychiatric treatment to habitual drunks is meeting with fair success, and this committee feels that sending the derelicts of the streets to the prison farm for treatment will help to rehabilitate many of the skid row citizens and will help to stop pilfering, car "boosting" and keep our streets clear of drunks and beggars. This is a great improvement over the old policy of "release when sober."

Semi-annual Physical Check-up: The deaths of Chief Francis Ahern, Ralph Olstad, Officer John Kane and others shows that there is need for a regular check-up of police personnel through their medical or health service system: officers to sergeants at least annually, and lieutenants, captains and superiors at least semi-annually. This Committee feels that these experienced top personnel are hard to replace, and the Committee asks the Commission to give this suggestion serious consideration.

Promotional Examinations: This Committee has given consideration to oral examinations, but we fear that favoritism could result. We believe that examinations for advancement should be held more often, which will keep the men more alert as to the subjects covered. We have also given consideration to the thought that more credit should be given for arrests and merit

POLICE DEPARTMENT (continued)

performance of officers rather than for mere seniority; but from closer observation we find that many officers do a good job in positions where high arrest records cannot be achieved.

Merit System for Off-duty Arrests: It has been brought to our attention that many regular police officers are receiving commendations to the department heads through their commanding officers. We are suggesting publication to the entire department of the merit cases to encourage greater interest toward alert police work and arrests, particularly by officers when off duty. Possibly an "Officer of the Month" award, with attendant publicity, would be a great encouragement. The unusual good arrest record of Kenneth Murphy has been brought to our attention, and it is this Committee's recommendation he receive special training for advancement. Young men with unusual aptitude for good police work should be encouraged.

Morale: This Committee observes, because of the fairness and impartial treatment combined with vigorous disciplinary policy and placement of key men in positions they could best fill, resulted in improved high department morale.

Smith Report: In December of 1957 the Smith Report, at a cost of \$10,000, was completed. It recommended many changes to the Police Department. Many of these have been put into effect, some with alterations that the Commission and department heads felt could best serve our City and County with its many complex problems, due consideration being given to the fact that a new Hall of Justice was to be built and completed in a few years.

Outlying Stations and Re-alignment of Districts: The city is now built almost to the maximum, and the addition of large built-up areas such as Stonestown and the Metropolitan Project will require study as to re-alignment or consolidation of stations, such as consolidating Taraval and Ingleside, both large districts, and possibly moving Potrero station to a more central location in that district. This last is a consideration for the future. The Ingleside station is hidden in the trees of Balboa Park. The modern trend is to put an outstanding station on a street so it is well observed. The public and criminals should know it is there for obvious reasons.

Radio Car Unit: It is recommended more patrol cars be purchased and put into service in outlying districts, with shot guns in plain view, for the psychological effect to the hardened criminal. The guns have been purchased, and are in storage at the pistol range. All we now need are patrol cars and manpower. The serious crime rise in outlying districts could thus be best



POLICE DEPARTMENT (continued)

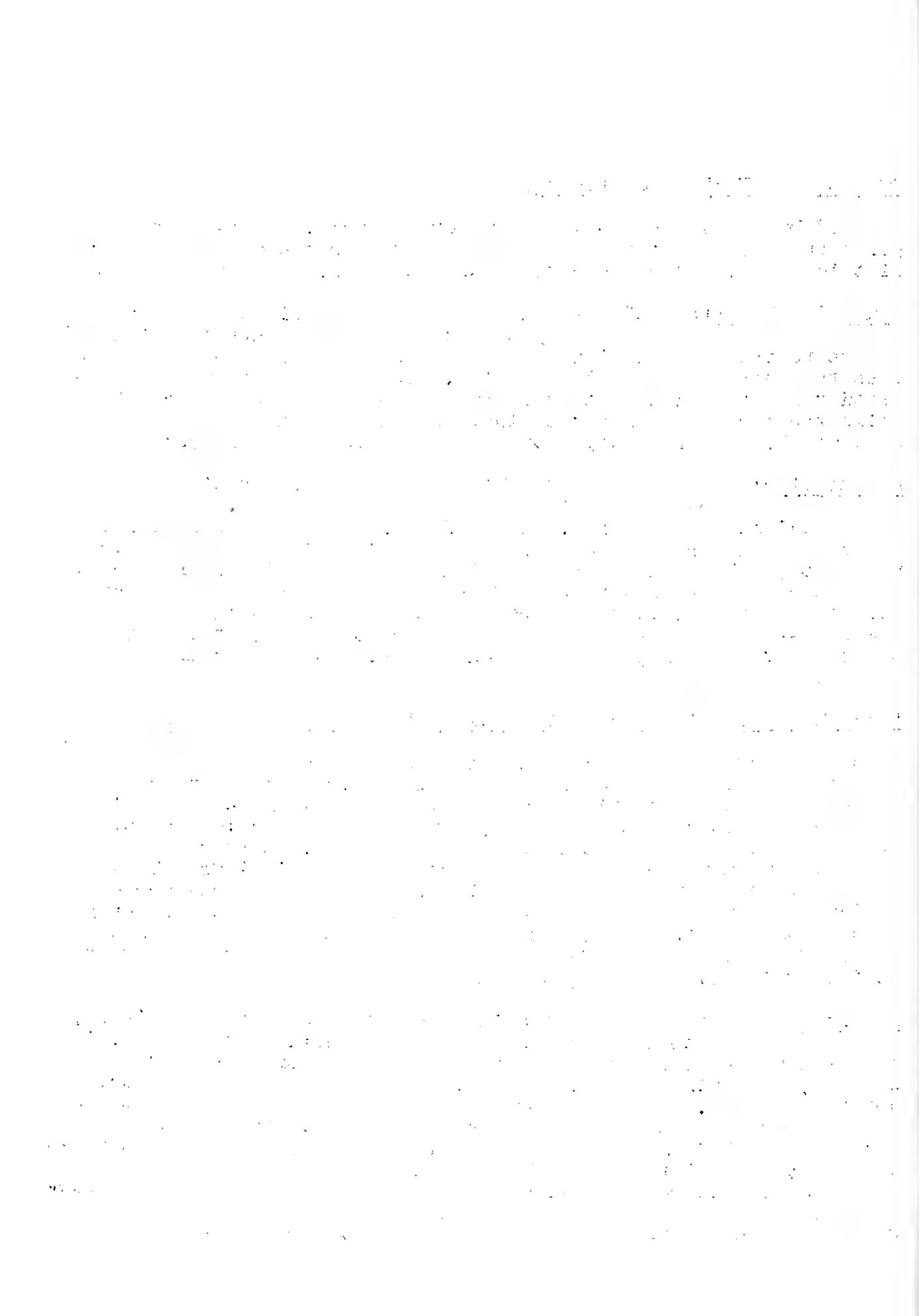
checked by a fast, hard-hitting motorized unit. This unit, as a permanent assignment to each outlying station could best serve the district and obviate the continuous use of "Plan S" in these areas.

Radio Car Reports: Officers in patrol cars should not have to leave a patrol area after an investigation and return to the station simply to write out reports. This immobilizes the patrol car for that period. Such reports should be dictated via automobile-battery operated tape recorder or dictaphone while the car is still patrolling, and the dictated material delivered at the end of a duty tour to be transcribed by stenographers.

Automobiles: The police automobiles and records pertaining thereto are kept at the Hall of Justice garage. Officer Frank Gaddini is in charge. Some of these patrol cars have 140,000 miles to their credit. With the reasonable price the city pays for new autos, taking into consideration high costs of repairs today, it is our suggestion stronger effort be made to the Budget Committee for new car replacements rather than excess and costly repairs. The long-time delay to get bids for repairs and return of completed car to service is approximately one month. Business could never operate this way.

"AIB" Traffic Unit; Accident Investigation Bureau: Lieutenant Edward Moody was in charge during our visit, and his system of keeping performance records and his able leadership and rigid discipline have shown wonderful results in this department. The officers under radio direction are assigned two per car, and must be meticulous about good reports (observation at the scene of accident), as these men must also attend many hours in court to prove their findings. This is important in order to get convictions. Many civil cases are also decided according to their reports. A second visit was recently made to this unit. Lieutenant Leslie Brennan is now in charge, and is following his predecessor with fine policy and leadership. We feel this unit is doing a good job.

Men in Blue: It is well recognized that the beat man in uniform, with his badge of authority, meeting the public, is the eyes and ears of this department. These patrolmen on the streets, observing and being observed, have a tremendous effect in deterring crime. It is deplorable that our police department does not have enough manpower to augment this force. Our charter restriction of 1900 and again of 1932 limiting the force to one officer per 500 population should be reconsidered for a minor change. Approximately 20 more men for this work (representing 10,000 inhabitants) would be a great asset to the police department, and a source of great reassurance to our citizens. Must we continue



POLICE DEPARTMENT (continued)

"robbing Peter to pay Paul" and spread the forces too thin? Another appropriate solution this Committee can recommend is to grant the repeated request for funds to hire civilian clerks and thus release police officers now doing clerical work to patrol duty. The 40-hour work week, 3-week vacations, the increase of the motoring public, increased traffic, the special enforcing units, have all been added; let's face it, "Times have changed."

Police Guards: Another solution to manpower shortage. Our findings of officers assigned from stations to school crossings morning, noon and evening is a loss to the department of approximately 4 to 5 hours daily per man. This, multiplied by the many schools, totals to many man-hours lost to the department. Police guards in uniform, such as retired policemen, women from PTA groups, could do this work at a considerable saving. This has met with success in other localities, and we think it is a way to get around the limited manpower charter restriction as set up. We also suggest auxiliary police officers be used to greater advantage on Sundays for patrol duty at church crossings.

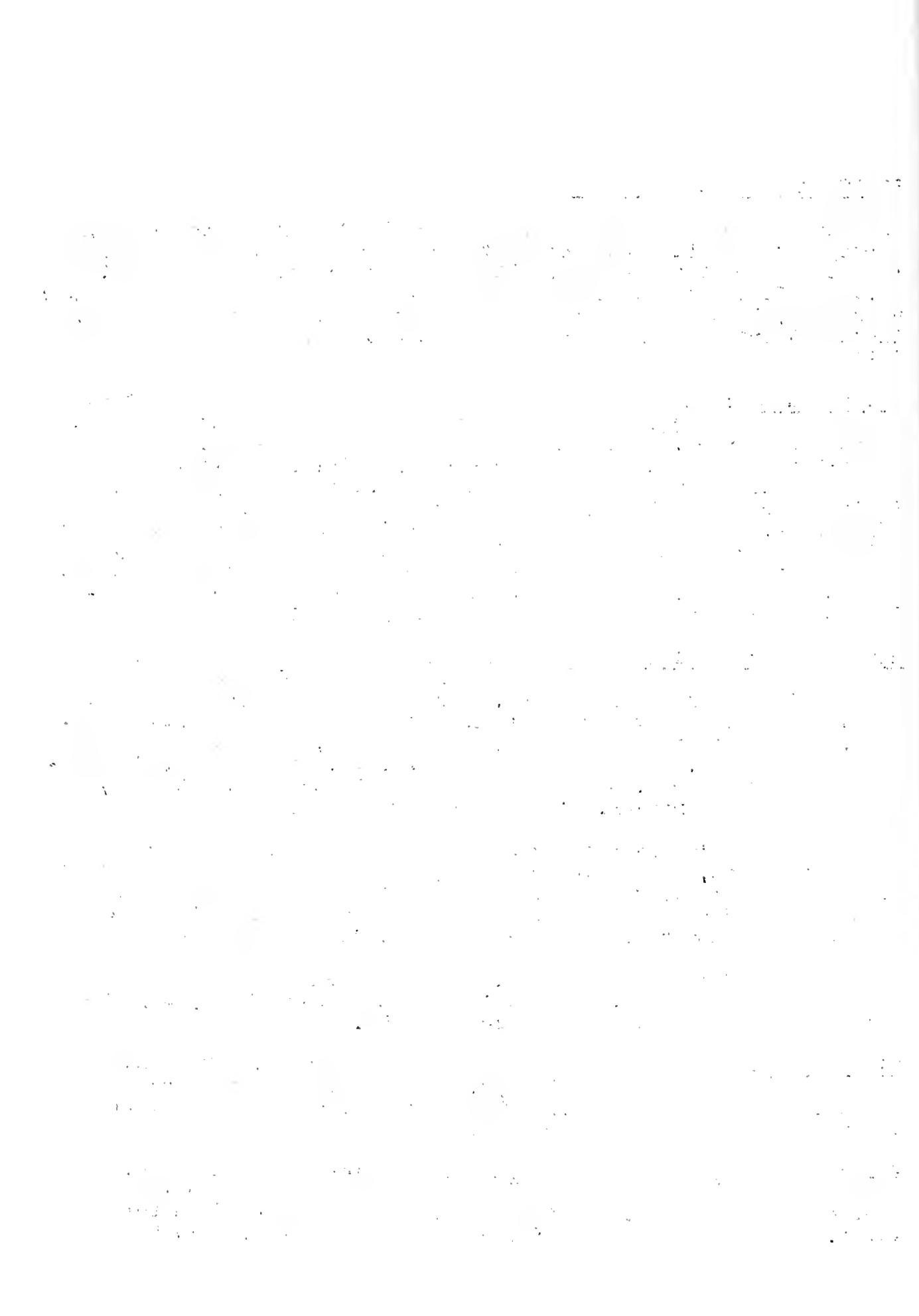
Headquarters Special Units: This Committee, as laymen, do not feel we have the advanced experience to express opinions on the following: Narcotics Dept. (this branch is receiving coverage by a separate narcotic committee report), Homicide, Crime Detection, Gambling, Morals Squad, Detective Bureau, Pawn Shop Detail, Bureau of Special Services, Statistical, Communications, Taxi Patrol, Accounting, Warrant Bureau, Intelligence, Permit and Registration, Missing Persons Bureau.

In going over the records of these divisions with the Chief of Police, we are informed they are doing a good job. There are many life-dedicated men in these units and we would like to point out: WE HAVE NO ORGANIZED GANGS OF CRIMINALS IN SAN FRANCISCO. This Committee would like to say, "Keep up the good work!"

On March 24 this year, the entire Grand Jury visited the Hall of Justice, saw its facilities, made a tour of many departments, and had a preview of Police Show Up.

City Prison: Lieutenant Walter Thompson in charge. This unit is clean and well kept, and the men assigned are efficient in handling prisoners. This unit will have new facilities in the new Hall of Justice when completed.

Police Juvenile Bureau, 2475 Greenwich Street: Captain William Hanrahan is in charge of this Bureau. Factual information obtained from this visit. Manual of Procedure for Handling Juveniles should be



POLICE DEPARTMENT (continued)

distributed to all stations so the officers and men can familiarize themselves with it. This is a wonderful encyclopedia on juveniles and their records. This group has good cooperation with schools, courts, parks and recreation departments. With regard to Juvenile Delinquency and sponsored Youth Juvenile Clubs, the sponsors should be made responsible for the members' conduct. It is suggested they contact this Bureau for advice and suggestions before organizing clubs. Because of the volume of very well kept records on juveniles, this department could use four civilian clerks; this would get more Bureau men on the streets. This unit needs more specially trained men, but with four clerks may hold the advanced youth delinquents in check. The large volume of stolen bicycles held here should get greater publicity from the press for return to owners.

Police Academy: Situated in Golden Gate Park at 36th Avenue. Captain John P. Meehan and Lieutenant Alvin J. Nicolini, with entire staff of six. Members of this Committee made two visits to this recruit officers' school. The classes, of approximately 35 students, on constitution, penal law, rules of evidence, civil procedure, first aid, typing, military tactics, boxing, and yawara are taught. These young recruits go through a very rigid schooling, and the standards are so high it has recently been necessary to alter the eligibility list to include applicants from outside the City and County. Some of these recruits work nights and come to school in the daytime to get this advance police course. Several recruits were from surrounding localities. This school serves a wonderful purpose.

Bureau of Traffic Engineering and Administration, Hall of Justice Annex, Washington Street.

Director of Traffic, Thomas Zaragoza in command, with Asst. Acting Captain Edward Moody. This department, which has had the highest mortality record, from top personnel to fatalities on the street, has had many changes, and the new personnel have the situation well in hand. This year's fatalities, despite recent high records this month, is still far below 1957 or prior years. The recent change authorized by the voters to have the Department of Public Works do the engineering and installing of traffic signals, islands and other safeguards for this department should meet with success. The Police Department's traffic expert, Sergeant John Keegan, will act as liaison with the Department of Public Works.

Solo Motorcycle Unit - Behind Southern Station on Clara St. near 4th.

Lt. Edward B. Cummins in command. This department is often referred to as the "Marine Corps" of the Police Department. The men are selected for their height, physical strength and appearance, and are constantly put to extra hazards in line with their duties apprehending speeders and traffic violators. Their duty of being on the

POLICE DEPARTMENT (continued)

street observing and being observed helps to keep the motoring public alert and obeying the law. These men on radio call can speed to apprehend get-away cars almost instantly. The increase of motor cars and extension of more freeways has added a need for increase in personnel in this department, which is all too often short because of accidents to these officers. It is our recommendation that this unit be brought up to full strength. The public recently showed their appreciation to this unit by voting them \$50.00 per month hazard pay.

Three-Wheel Motor Unit - Clara Street near 4th. Lt. Kenneth Carstensen in command. In our interview with regard to more meters being installed, particularly in outlying districts, we discussed manpower shortage. This officer, a very able young, energetic man, will cope with the demands as they arise.

Horse Mounted Unit: In Golden Gate Park, approximately at 36th Ave.

Sergeant Jack Chaney under direction of Captain Phil Kiely in charge, with 18 men who patrol Golden Gate Park, Ocean Beaches and Lake Merced area, each mount on patrol covers 30 miles daily. One man patrols the entire McLaren Park area. In a previous report we went into considerable detail as to the work performed and the need for this unit to control sex deviates and sun bathers who like to expose themselves to women and children; also the good work to save lives of waders and swimmers on our treacherous beaches. The horse is valuable to keep crowds in check and, as evidence, we cite the recent fine work of Mounted Officer Julius Long, who kept an angry hostile crowd of citizens from taking two youths he had arrested for beating a bus driver. We suggest this officer be commended for keeping the riotous crowd in check until help arrived. We would again request the commission to ask for approximately \$3,000 appropriation for fire detectors and sprinkler system for the police barn, which would displace 2 stablemen, saving the City approximately \$12,000 annually. The stablemen are called Hostelers, and because of this misnomer get 10% professional pay. One man recently retired on account of sickness, and one other is to retire next year. These positions should not be refilled, as disabled police officers wishing to put in time, can act on night watch, and the City will save premium Saturday, Sunday and holiday overtime pay which the hostellers receive, thus saving the City approximately \$7,500 annually.

Police Stations: All police stations and districts were covered at least once this year. The officers in charge were contacted and interviewed as to manpower, morale, the district, crime suppression and cooperation from merchants concerning parking

POLICE DEPARTMENT (continued)

and related problems, station facilities, and requests for suggestions to help the Department by means of this report. "Thanks" for the fine cooperation. Stations visited, in addition to those already mentioned:

Central: Hall of Justice Annex, Washington Street; Captain Charles E. Borland in charge.

Southern: 4th and Clara Streets; Capt. August G. Steffen and Lt. Edward J. Farrell in charge. This station is to move to the new Hall of Justice building when completed.

Potrero: 20th and 3rd Streets; Capt. Martin M. Lee in charge.

Mission: Valencia, between 23rd and 24th Streets. Capt. John Engler and Lt. James A. Murray in charge. This is a new type modern district station on a main street, with rear street entrance for cars.

Northern: Ellis, between Polk and Van Ness. Capt. Harry L. Nelson in charge.

Richmond: 6th Ave. between Geary and Anza Streets. Capt. Walter S. Ames in charge.

Park: Behind Kezar Stadium, Golden Gate Park. Capt. Ted Terlau in charge.

Taraval: 24th Ave., between Taraval and Santiago Streets. Capt. Thomas I. Flanagan in charge.

Ingleside: Balboa Park, at Ocean and San Jose Avenues. Capt. Arthur P. Williams in charge.

Auxiliary Police Unit: This unit was organized as reserves, and as part of the Disaster Corps for civil defense. Liaison Officer is Inspector William Osterloh, Supervising Captain Phil Kiely in charge, with Personnel Officer Von Nostiz from the Police Academy and liaison men for each of the outlying stations.

Richmond, 81 men enrolled, Liaison Officer, Dave Roach.

Park, 80 men enrolled, Liaison Officer, Donald Schmidt.

Taraval, 65 men enrolled, Liaison Officer, James McGowan.

Potrero, 100 men enrolled, Liaison Officer, Stanley Scheld.

These men all go through the Police Academy for training. They must put in 90 hours total training, and must qualify at the pistol range to carry a gun. They have special training for disaster, and the formation of this unit was primarily for this purpose. They serve a wonderful need on traffic fixed-post detail, and to police parades

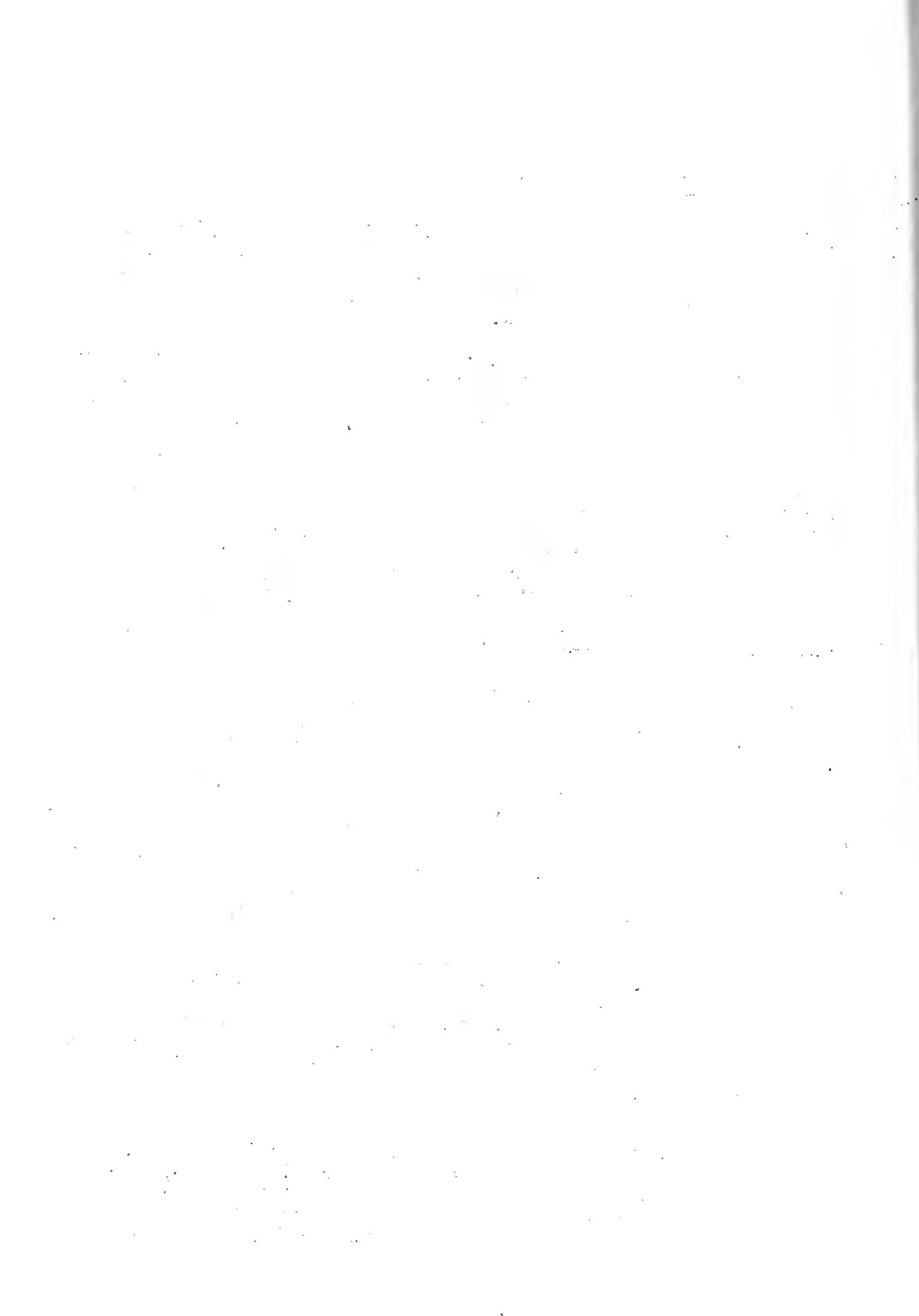
POLICE DEPARTMENT (continued)

and shopping crowds, particularly at the holiday season. They also serve checking at road blocks, and take care of crowds at Golden Gate Park, Beach-Playland and the Zoo. Full performance records are kept of all men by the officer in charge, and we are informed the present morale is very good.

Police Pistol Range: Lake Merced; Captain Meehan in command. Our visit and interview was with Range Master Robert Abernathy and Officer Richard Heiney, Instructor. The men working at this facility are all specialists. The requirement to keep all the police officers in practice to use their firearms is of great importance, and is one of the Department's requirements. The Department has several pistol teams, and the competition between stations is good -- it helps build up morale and leads to expert marksmen. Brass shells and lead are recovered, and the men assigned to duty here re-fill cartridges and repair targets when not working during range and practice activity. We are informed this is one of the best practice shooting ranges in the country.

Kezar Stadium and Cost to Police: We deplore the riot at the closing 49er game a week ago. A complement of 64 officers and 5 sergeants was delegated to handle the capacity crowd, at an impressive cost to San Francisco; but, in addition, a total of 150 police officers were used to suppress the rioting. We are informed that in other stadia, the stadium lessees furnish their own police protection by hiring special policemen or use auxiliary police units. We recognize that neither of these could have suppressed this riot. We do not believe that police protection should be sold as a concession. No agency can handle the safety and security of persons as can the Police Department. Rent paid to the City should be sufficient to provide for protective services to the public, plus a reasonable and fair return upon the capital investment of the citizens of San Francisco in the Stadium. A wire or pipe fence could be installed to hold back the crowd, or the "invisible fence" - powerful streams of water from adequate pipe sprinkler system, designed to spray about ten feet high outwards, toward the field. This would discourage all but a handful of rowdies going into the field, who could be easily handled by the police. The only other alternative to suggest would be the Horse-mounted Patrol Unit, which has been used so successfully in New York to handle crowds.

Police services cannot be placed on a paying basis. It is not a business - products are not manufactured; rather, services are rendered. The net result of all police activity is the presence or absence of crime. The absence of any organized gang of criminals has shown the SAN FRANCISCO POLICE DEPARTMENT is active



POLICE DEPARTMENT (continued)

and on the alert. In order to perform police activities and attain maximum effectiveness, it is necessary that the police numbers be increased.

To the Police Commissioners, the Chief, and the Department, we would like to impress upon our Fellow Citizens of San Francisco, - PREVENTION AND SUPPRESSION OF CRIME IS EVERYBODY'S BUSINESS. Don't wait until it hits you. The sooner the public recognizes this, the more promptly they will contact police when they witness or suspect illegal activities. Strong efforts should be used to enlist public cooperation with our law-enforcing agencies in the maximum suppression of crime.

Your Committee wishes to congratulate the Police Commissioners, the Chief, his staff, all the personnel of the Department for the accomplishments performed with existing manpower, and believe the present reception of good will from the public to your Department is well deserved.

CONRAD J. GRIEDER, Chairman

WILLIAM BERELSEN

JOSEPH S. QUAN

HECTOR J. GIUNTINI, Jr.

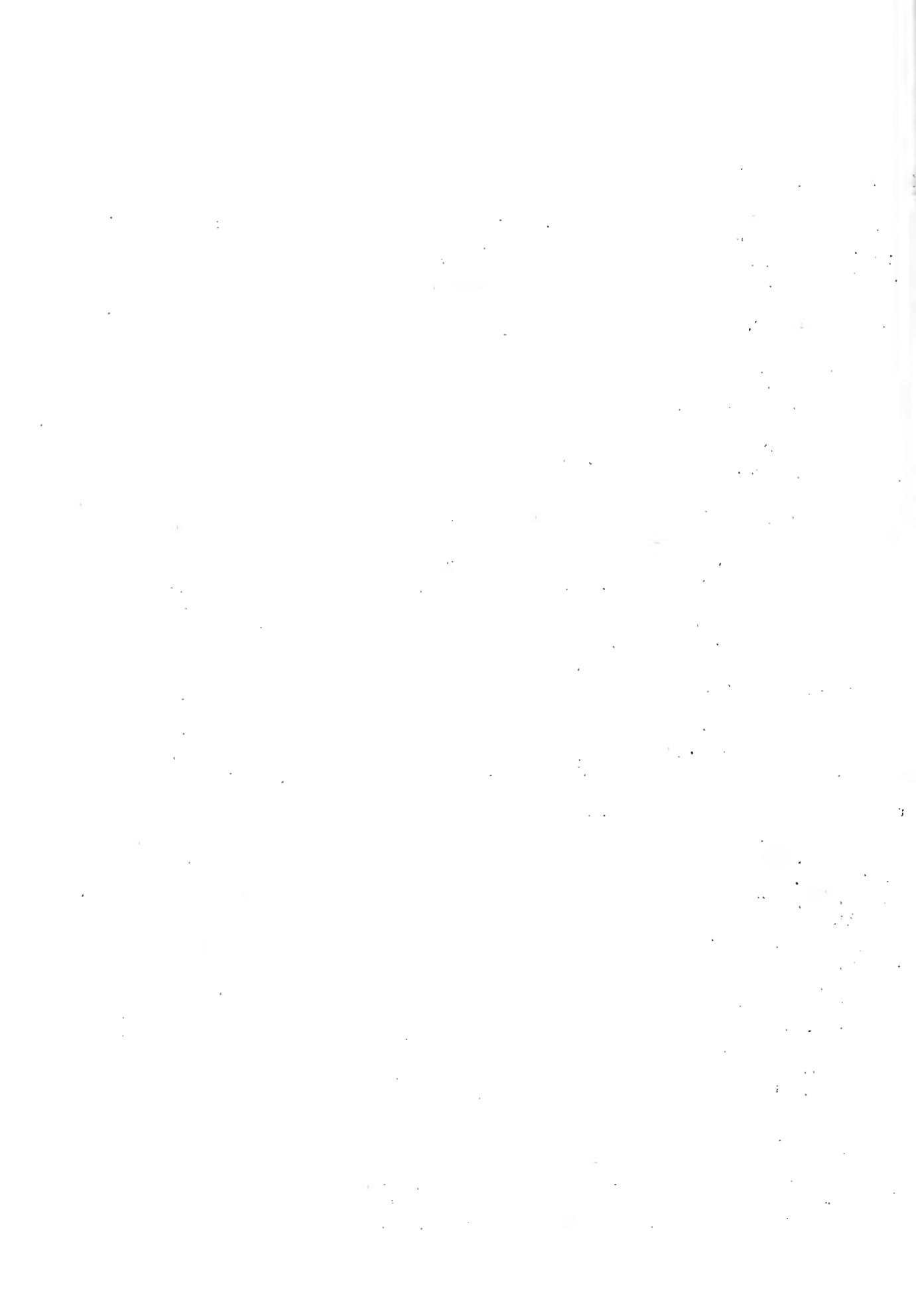
CHIEF ADMINISTRATIVE OFFICER

In February, 1958, this Committee met with the then Chief Administrative Officer, Thomas A. Brooks for the purpose of acquainting itself with the duties and functions of this office. An enlightening session was held in which the Committee was given a general outline of the scope of the Chief Administrative Office. The function of this office is of a business nature rather than a governmental one. Because of the enormity and complexity of the Municipal Administration, the Mayor as Chief Executive Officer must have assistance in the administration of the City. This assistance is primarily the responsibility of the Chief Administrative Officer.

Needless to say, in his position all Departments of City government are directly or indirectly supervised through his office. We shall not attempt to delve into all the particular departments, many of which will be reported upon by other committees of this grand jury, but we will cite several examples which in our mind are indicative of the work of this office. Upon the retirement of Mr. Brooks on June 30, 1958, Mr. Chester R. MacPhee was appointed as the new Chief Administrative Officer. In July, this committee had a meeting with the new Chief Administrative Officer at which time he outlined for your committee a program designed to increase the efficiency and economy of several important departments coming directly under the control of the Chief Administrative Officer.

With regard to the San Francisco General Hospital, the problems of over-crowding, employee morale, maintenance and patient relationships were in need of immediate attention. We are pleased to report that as of the present date, many of these problems have been alleviated. Over-crowding has been reduced by the simple expedient of moving chronically ill patients to the Laguna Honda Home, by stricter admission policies, and by better utilization of space. Employee morale has been boosted by the publication of an employees' handbook, a procedural handbook and a "News Capsule", listing the activities and events of the various employees and departments of the hospital. The purchase of new bed linens, steel locker cases for drugs and equipment, intercommunication systems between the nurses desks and the wards, and a number of other such improvements have resulted in better care for the patients and a lessened work load for the employees. Patient relationships are being greatly improved by the rehabilitation of a number of wards, in particular, the tuberculosis ward which has been completely redone in light, pleasant colors adding a more home-like atmosphere.

While the defeat of the Bond Issues in the 1958 election to modernize the Civic Auditorium and to provide additional office space in the City Hall has added to the many problems of the Chief Administrative Officer, it is recommended that a study be undertaken to determine if any annual budget allowances can be made



CHIEF ADMINISTRATIVE OFFICER (Continued)

available to provide some of these urgently needed facilities. Of particular interest is the rehabilitation of the Civic Auditorium. The Chief Administrative Officer administers the publicity and advertising fund which is used in part to attract tourist business, which San Francisco must have. In passing, it might be mentioned that for the year 1958 the amount of \$266,000 was budgeted for expenditure from publicity and advertising fund.

As a means of fostering good relations between San Francisco and the other cities and counties of the State of California, the Chief Administrative Officer has paid particular attention to the activities of the Regional Services Committee. Also, several meetings have been held with the League of California Cities Committee, Supervisors Association and other groups concerned with the maintaining good working relationships with the cities and counties of the state.

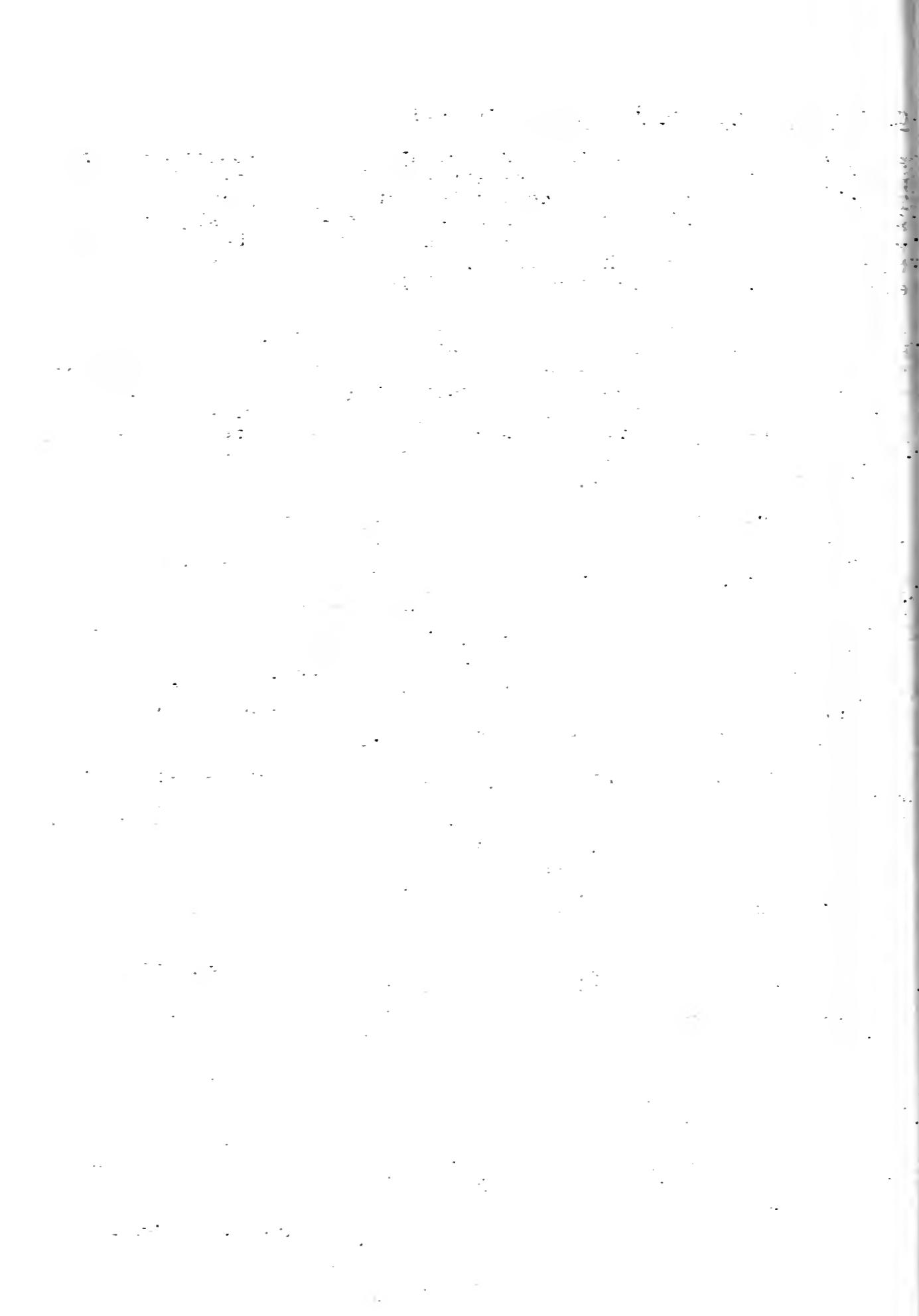
Pursuant to the recommendation of the 1957 Grand Jury covering a data processing center, the Recorder's Office is presently changing from a photostatic system to a microfilm process. This change will permit a large reduction in the amount of space for storage and at the same time will allow security copies of the records to be made. This conversion of equipment will free two-thirds of the space now being used for the storage of tons of records in the City Hall and other City locations. It is hoped that this type of automation will be looked into by the Chief Administrative Officer with an eye to placing additional machines throughout other City offices where needed.

Of great concern to Mr. MacPhee is the fact that the City does not have a city-wide safety program for its employees. Limited safety programs of a few departments have shown results but have not gone far enough. Injuries from accidents are expensive to the city and cause hardships to the employees. It is recommended that after thorough study, a plan be presented to the Mayor so that a city-wide safety program can be established as soon as possible.

As stated prior, the above is by no means a complete picture of the working being done by the Chief Administrative Officer, but we believe it shows a step in the right direction for the correction of many long standing problems.

This Committee wishes to commend and thank Mr. Thomas A. Brooks for his service to the City of San Francisco during his sixteen years tenure of office as Chief Administrative Officer. We also wholeheartedly approve the appointment of Mr. Chester MacPhee to this office and urge that he continue his duties in the efficient and businesslike manner he has shown in the first six months of his tenure.

WILLIAM J. RAFFETTO, JR., Chairman
ROY J. SCOLA
CONRAD J. GRIEDER



SUPERIOR COURT

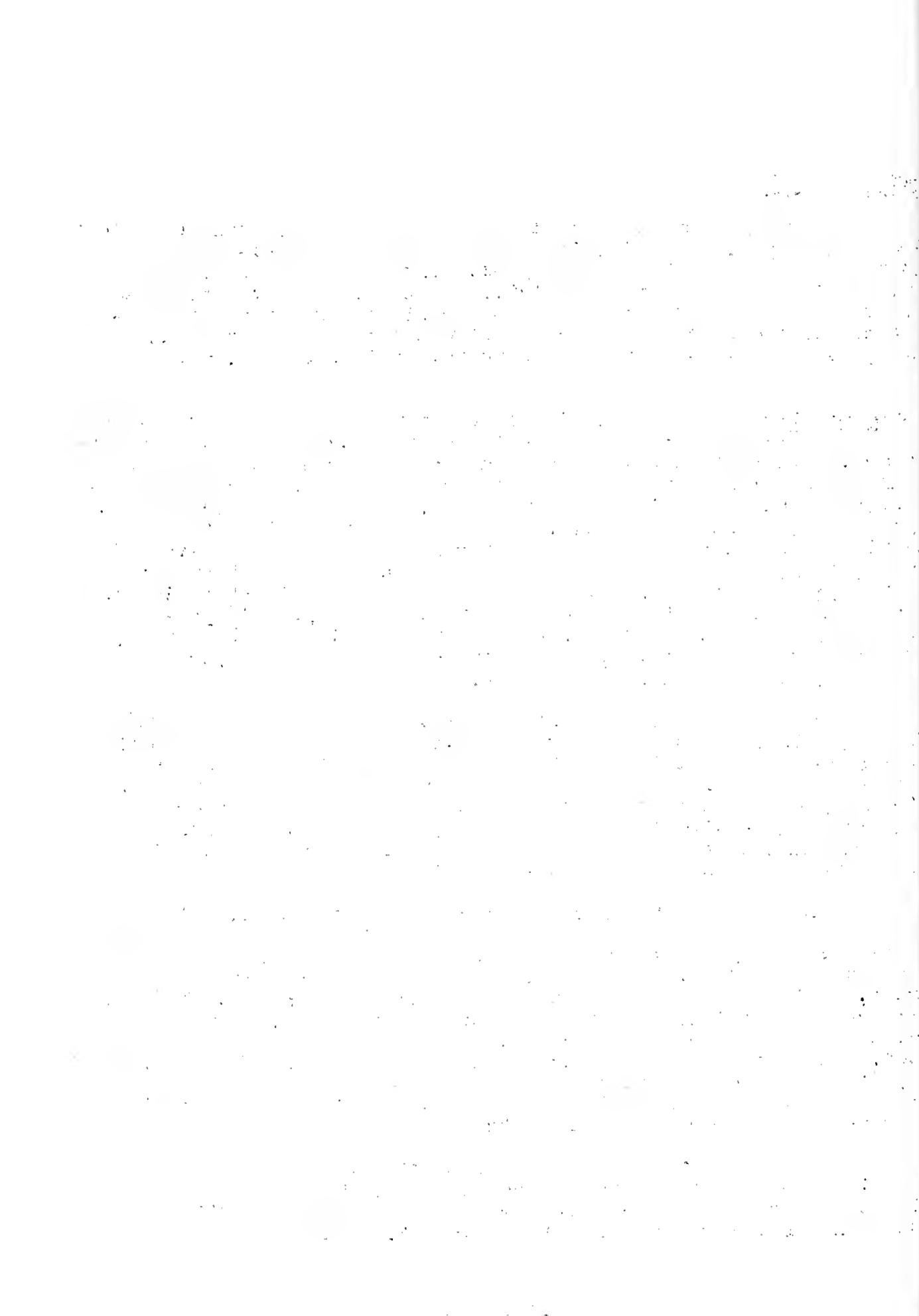
While the crowded conditions of the courts, both Superior and Municipal, still remain, it is to be noted that this has not hampered the courts from rendering all services possible to the people coming under their jurisdiction. The courts have attempted to better cope with backlog through the simple expediency of having a new jury selected for a case while the jury of a previous trial is deliberating, thus utilizing all available time.

Pre-trial: This Committee noted that new rules to help speed up the pre-trial procedure have been introduced as of July, 1958. They are, in effect, a way of insuring that cases have been fully prepared for trial at the time of the pre-trial conference; i.e., depositions and other discovery procedure, as well as medical examinations, have been completed. In enforcing these rules at the pre-trial conference, the attorneys for both sides frequently are able to make a fair evaluation of the cases and settle them. If the cases are not to be settled, counsel are aware of the claims of their adversaries and the issues described in the judge's pre-trial order. The purposes of this pre-trial are: to simplify the cases, to save time at the trial, and to warn the respective lawyers of the issues they will have to meet.

During the month of October, 1958, 19 settlements were effected at the pre-trial conferences, 33 were settled prior to the conferences, and an additional 42 were settled following the pre-trial conference; of course it is impossible to say how many of the last-mentioned settlements were made possible by the negotiations initiated at pre-trial. In addition, 77 cases were removed from the calendar, either at the pre-trial conference or between the time of the conference and the date set for trial.

Another step taken to speed up the trial calendar is a procedure known as the "4 o'clock calendar", which is held every afternoon in the pre-trial department. When a jury case has been given a date for trial but has not been tried within sixty days thereof, it is brought before the pre-trial judge, and lawyers must appear and explain why the case has not gone to trial. Many of the cases are dropped "off calendar" and a number of these never re-appear. With others, regardless of the excuses offered by the lawyers, it is the practice to order them either to go to trial within a few days or be ordered off calendar. The "4 o'clock calendar" also produces a number of settlements.

This Committee also found that attempts are being made to bring "isolated cases" to trial without delay. This is done by allowing the lawyer who has but one or two cases ready for trial to request an early trial date, rather than wait while lawyers with



SUPERIOR COURT (continued); MUNICIPAL COURT

multiple cases to try are waiting for their staffs to clear away their business. In this manner the court can keep its calendar filled at all times.

We understand that certain legislation is in the process of preparation which would give the pre-trial judge power to transfer cases likely to produce a small verdict for the plaintiff to the Municipal Court.

It is apparent to this Committee that the best efforts of all concerned are being put forth to shorten the time of waiting to go to trial, and speeding up the actual trial itself, and thus reduce, and eventually eliminate, the backlog of cases on the court's calendar.

Domestic Relations: In our survey of the court we were impressed with the recently added department of Domestic Relations. While this department was established a few years ago to assist the judges through the preparation and submission of comprehensive and unbiased reports in matters involving the custody and care of minor children, it has progressed beyond this point. The ability of this department to direct contesting parties towards reconciliation was recognized, and now a number of attorneys and family counselling agencies refer persons with marital difficulties to the domestic relations staff for help in solving their problems.

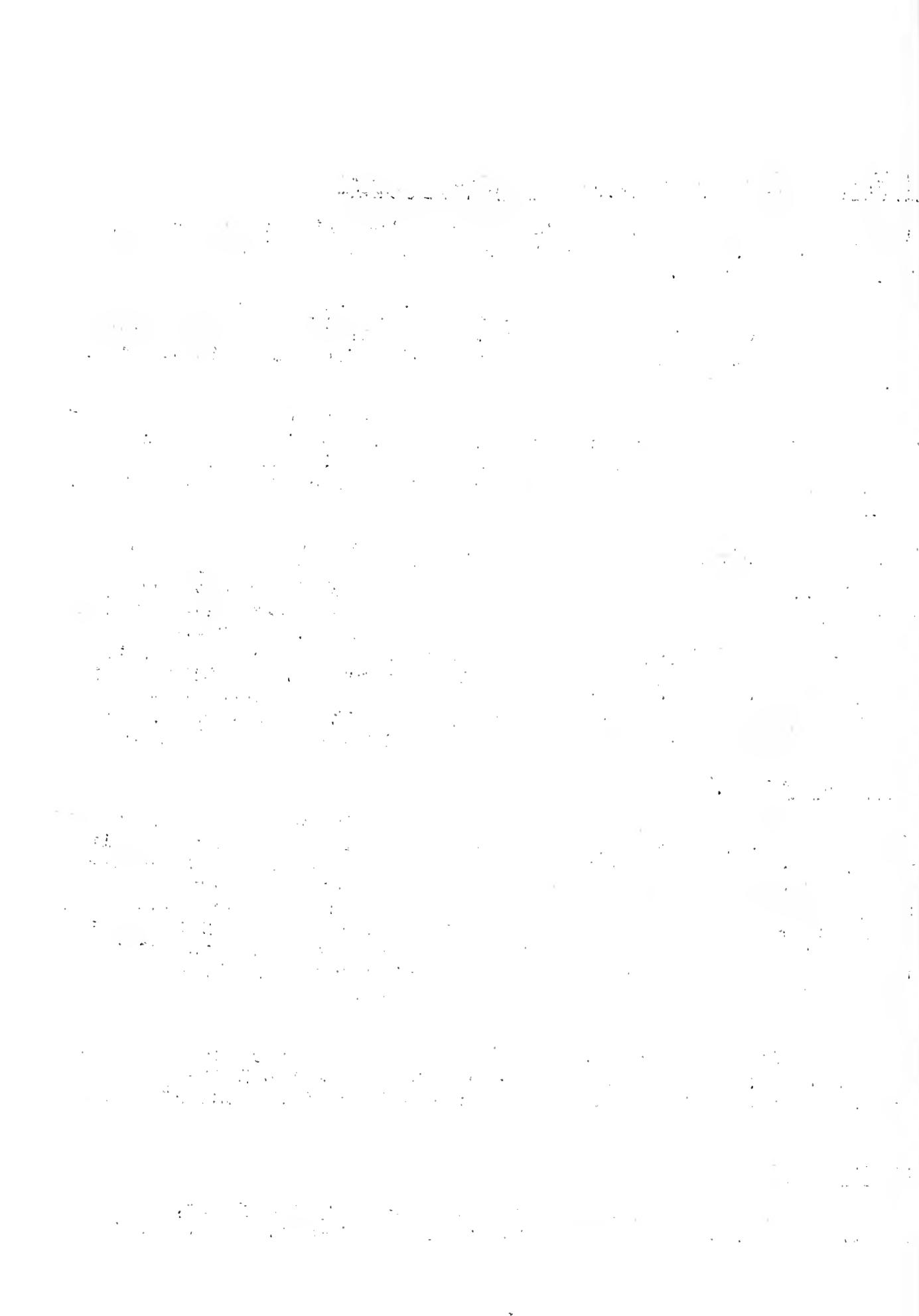
Recommendations:

Since the 1958 Grand Jury was unanimous in its support of a new Court House, we feel that efforts should be continued in its behalf by the 1959 Grand Jury. We are all aware of the necessity of providing adequate and suitable quarters for our courts and their affiliated governmental agencies. Since the bond issue failed by a slight margin at the last election, we recommend that efforts be made to prevail upon the state legislature to amend the state law so as to require only a simple majority vote for the passage of such bond issues in the State of California.

This Committee wishes to take this opportunity to commend Presiding Judge Harry J. Neubarth and Judge Preston Devine, the Pre-trial Judge, for their efficient handling of our Superior Court.

MUNICIPAL COURT

As our population has been increasing for years, so the business and revenues of all departments of the Municipal Court have



MUNICIPAL COURT (continued); ADULT PROBATION DEPARTMENT

also continued to increase. The court continues to operate efficiently, in spite of its crowded quarters. Civil and criminal matters are brought to trial without unnecessary delay.

The court department, as distinguished from the traffic bureau, has collected in fines and forfeitures for traffic violations alone, over \$852,000 in the first ten months of the year. This is an increase of more than \$105,000 over the same period of last year.

Recommendations:

The Committee would recommend that the additional temporary employments which are required by readjustment of the clerical staff to meet the increasing needs of the traffic departments, be placed on a permanent basis, thus promoting greater efficiency and reducing the need for repetitious training and direct supervision.

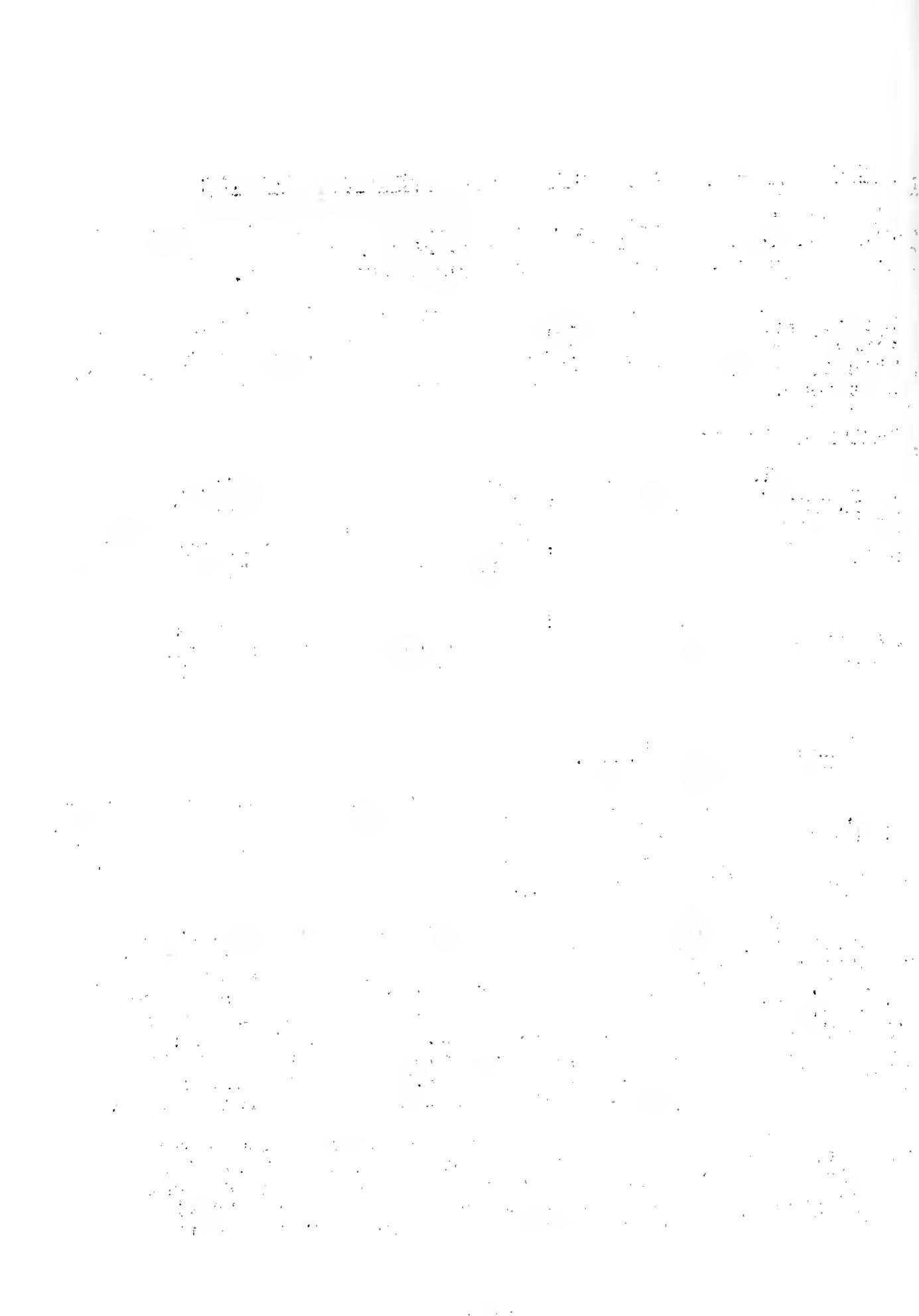
We wish to commend Presiding Judge Byron Arnold, the judges of the court, and Ivan L. Slavich, Clerk and Secretary, for their efficiency in handling the complex operations of the court.

ADULT PROBATION DEPARTMENT

It is repetitious to point out the same facts year after year, but it also denotes that the same understaffed situation continues to be the foremost problem of this department. Because of this situation, the department has been unable to fulfill its proper role in our City and County.

On January 26, 1950, the National Probation and Parole Association submitted the results of an extensive survey of the Probation Office, and at that time recommended the addition of 33 members. To date less than 30% of that recommendation has been granted, while at the same time the work of the department has increased in some instances almost 100%. As cases in point: In 1950 the department performed 4,000 investigations, whereas in 1957 investigations totaled 7,867; in 1950, 2,200 persons were supervised while on probation, while 4,700 were under supervision in 1957.

The important role that the Adult Probation Department is meant to play in its correctional and protective field will become negative due to the increase of case loads and lack of counselling. The activities of the probationer should be verified by visits; he should be assisted in job placement and in drawing upon the services



ADULT PROBATION (continued)

of the other social agencies. As matters now stand, there is no provision for this type of supervision for those placed on probation, nor is the department presently staffed to do so.

Notwithstanding the problems involved, this Committee found it noteworthy that the Department was responsible for returning to the City in fines, \$138,494.41, and \$67,014.09 was collected for merchants, banks, and hotel owners in cases involving restitution. Yet huge sums still remain uncollected solely because of inadequate staffing.

It might also be pointed out that during the past year, \$409,520.19 was collected by the Adult Probation Department for child/family support. A factor not realized by many is that if the department were unable to make these collections, in time this would reflect on the local tax rate, since the mothers and children would become charges of the City and County. If this division were properly staffed the returns to needy children and mothers could be increased by fifty per cent., with a similar saving to our City's relief rolls.

In view of the personnel problems existing, Mr. John D. Kavanaugh and his staff are to be highly commended for the tireless work they are doing.

Recommendations:

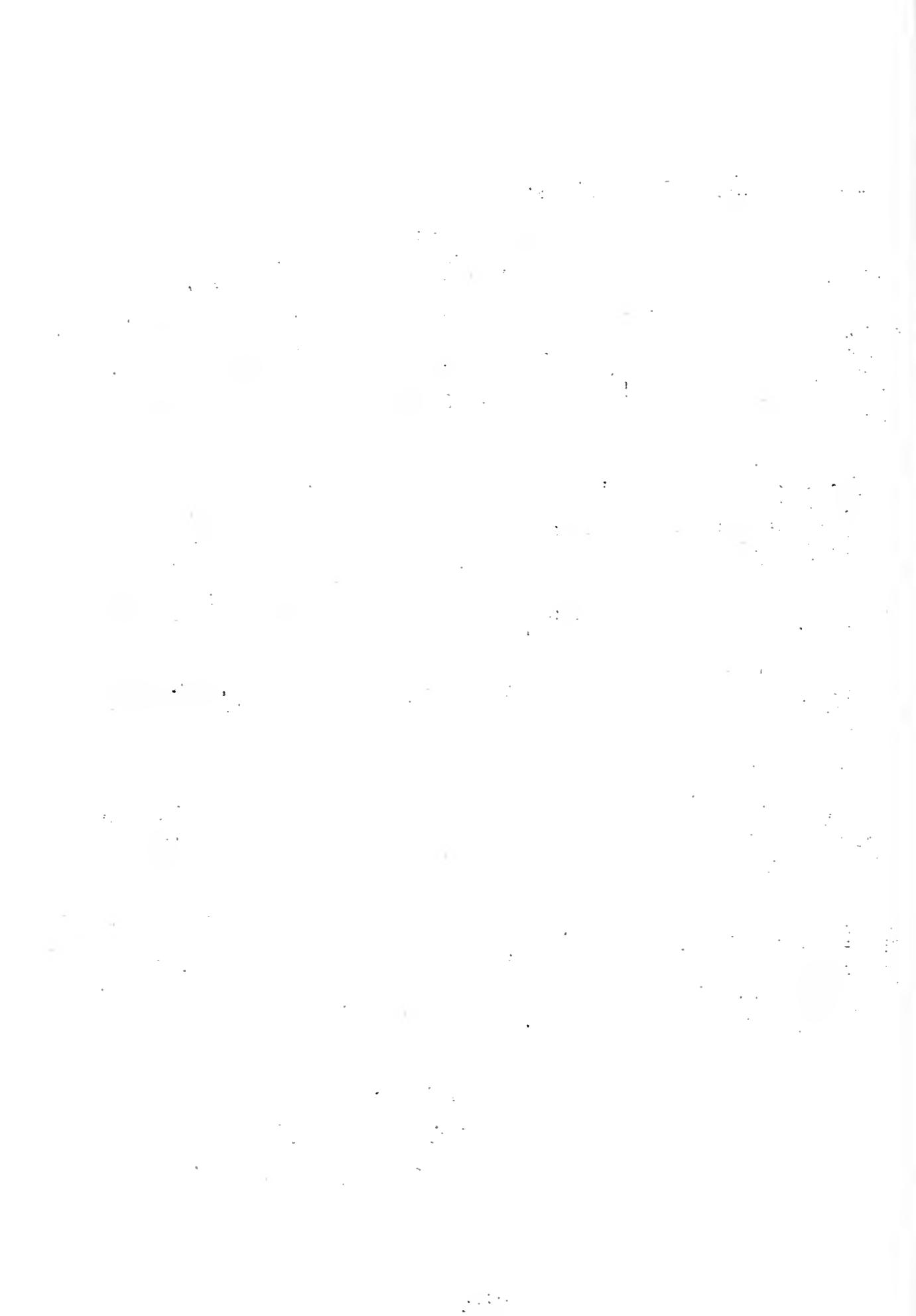
The Chief Adult Probation Officer has continually asked for staff increases, which, in reviewing the situation, is most warranted, and it is our recommendation that his requests be met as follows: 8 probation officers, 4 stencgraphers, 1 accountant.

It is imperative for the continued benefits to be gained by those under the Adult Probation Department's supervision that the Board of Supervisors be made to realize the necessity of granting sufficient funds to supply the required increases. We urge the 1959 Grand Jury to assist with the above recommendations when the 1959 budget hearings are held.

HECTOR J. GIUNTINI, Jr., Chairman

MRS. GERTRUDE LEVISON

THORNTON J. CORWIN, JR.



BOARD OF SUPERVISORS

In reviewing the affairs of the Board of Supervisors, your Committee found it most difficult to appraise and evaluate the accomplishments of the Board. Perhaps it would therefore be simpler to list many of the actions that were undertaken by them as follows:

The enactment of a new Housing Code, which San Francisco was sorely in need of, as without it our Redevelopment Program may very well have been placed in jeopardy. With the new code being enforced, it should help eliminate the creation of new areas in need of redevelopment, and will work hand-in-hand with the Urban Renewal Law.

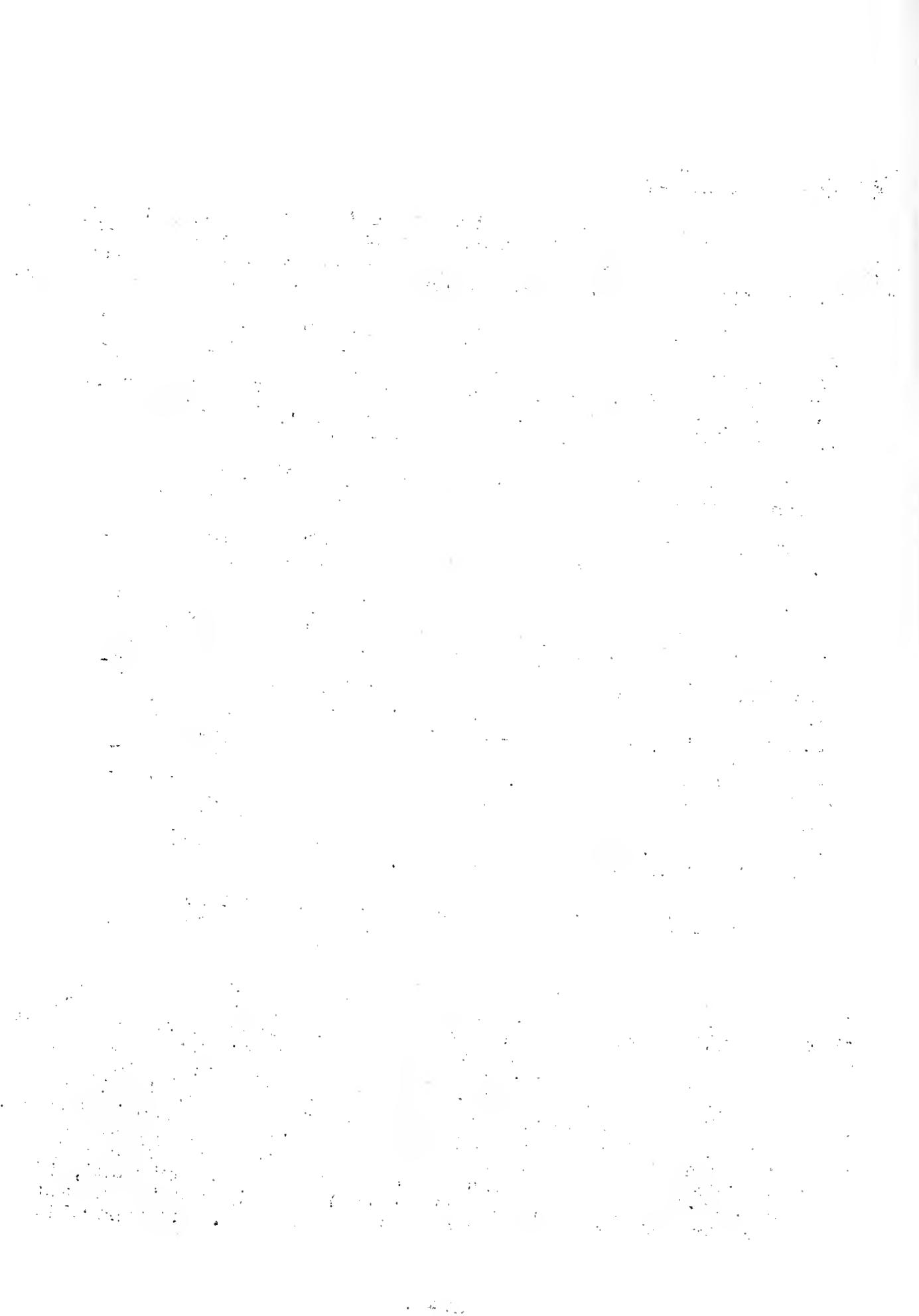
The enactment of a new comprehensive zoning ordinance, which repeals the current law which was enacted in 1921.

The adoption of a uniform Sales and Use Tax law, which should bring in many dollars to our local treasury.

The appropriation of money for community projects, such as the new Hall of Justice, recreation and park facilities throughout the city. However, we would be amiss if we did not also place on them the responsibility for the deplorable condition of some of our public buildings. We feel the appropriation of money to erect these buildings was fine; however, we do not find anywhere to our knowledge that funds have been allotted for their care and maintenance. If this were done, the Board of Supervisors could save our citizens many dollars in future bond issues to rehabilitate structures which were allowed to run down. We sincerely hope that the Board will give this matter some attention in the near future.

It is also our understanding that they are taking into consideration the enactment of a new fire code which will offer additional protection to our citizens.

We have been told that the Board enacts approximately 2,000 pieces of legislation annually and considers almost twice that number, disposing of them by other than enactment. The Board approves public welfare payments; carefully scrutinizes and then adopts the annual budget of the City and County; determines, as an appellate body, appeals and decisions of the Planning Commission; sits annually as a local board of equalization, and adjusts assessments. They closely screen and make additional appropriations for all departmental purposes; also purchase, lease and sell real property; review proposed bond issues and charter amendments and, if appropriate in their opinion, direct their submission to the voters; establish salary schedules for all city employees, and generally



BOARD OF SUPERVISORS (continued)

exercise not only a legislative but also a supervisory control of the entire local government.

Through its grasp of the "purse strings", and considering the magnitude of their responsibilities - most particularly that of the Finance Committee - and, also, the amount of time and energy necessary to fulfill these responsibilities, we feel that some consideration should be given to the thought of amending the Charter to have the Supervisors serve on a full-time basis at a compensation commensurate with the abilities required and the responsibilities entailed. We recognize the political implications of this thought and the possibility that the office may attract "political hacks" and discourage competent and desirable men and women willing to serve but who could not completely give up their business and professions. Perhaps, however, this might be solved by having five full-time and six part-time Supervisors, thereby fulfilling both needs. With the additional man-hours gained by the use of full-time Supervisors, there would be more time for reflection on issues seriously affecting our citizenry by all the Supervisors, and still give us the caliber of men and women we desire to serve San Francisco.

This report is not meant to be critical of our Board of Supervisors, for we feel that as a whole we have a competent group of men who serve at a great personal sacrifice in time and money. With the realization that the salary of \$400 per month must be supplemented by outside income, to ask that they put more time in public service would be too great an imposition.

The Clerk's office of the Board of Supervisors is run by Mr. Robert Dolan and a staff of deputy clerks and stenographers. We found Mr. Dolan to be an aggressive, intelligent individual who, with his staff, must process all matters appearing before the Board.

In closing we very strongly reaffirm the position taken by the last Grand Jury that the Board of Supervisors give serious consideration to a complete revision of the Charter of the City and County.

ANGELO E. CAMPANA, Chairman

JOHN H. CASENAVE

EARL S. LOUIE

EDUCATION

The year 1958 was one of widespread concern and anxiety over the quality of elementary and secondary education in our Public Schools, not only on a city-wide basis but on a National level as well. The Education-School Committee of the 1958 Grand Jury met with Dr. Harold Spears, Superintendent of Schools; with members of the Board of Education; attended meetings of the Board of Education and other related groups in order to acquaint themselves with current and local problems and gather information which would aid in evaluating the academic accomplishments of our Public Schools.

At a Board of Education meeting held on March 4, 1958, Dr. Harold Spears, Superintendent of Schools, presented his 15-Point Program for "tightening the instructional belt" based on the current anxiety over Russia's supposed leadership in scientific education; the schools' responsibility to meet personnel needs for our highly technological society; and the criticism posed by the Teachers Organizations of the status of the elementary and high school educational programs in San Francisco. The members of the Board of Education and the Teachers Organizations accepted Dr. Harold Spears' 15-Point Program as an initial corrective step in improving and strengthening the basic elementary and secondary school programs. For the purpose of clarification of this report a copy of Dr. Spears' 15-Point Program is attached hereto and made a part hereof.

Evaluation of the full impact of Dr. Harold Spears' 15-Point Program is not possible at this time since his program was not designed as a "crash" program, but a more deliberate approach calling for adequate time.

Recommendation

The 1958 Education-Schools Committee recommends that the 1959 Grand Jury Education Committee explore this curriculum planning in order to evaluate the improved academic and scientific accomplishments derived therefrom.

Curriculum Improvement - School Year 1958-1959

Concentrated Emphasis Upon the Improvement of the Science and Mathematics Programs

In keeping with the National significance of these two subjects, the improvement will involve a number of approaches, including these specific steps:

- (1) A group of five teachers will spend full time this year in examining research data,



EDUCATION (continued)

examining present practices, investigating new sources of help, and developing with teachers at all levels improved materials and procedures in these two fields.

- (2) The provision of up-to-date in-service courses to keep teachers abreast of the developments in these fields. These courses will include (a) Advanced Science Seminar for junior and senior high school teachers, treating the most recent development in the biological and physical sciences. (b) The Logic and Order of Arithmetic. This course for elementary and junior high teachers is designed to bring to them the advantages of advanced knowledge of arithmetic. (c) Contacts will be made with mathematicians at Stanford University and the University of California in an attempt to develop a course for mathematics teachers involving a number of outstanding authorities in the field, set up in a manner similar to the Advanced Science Seminar.
- (3) The School Department will take full advantage of the work done this past summer by local science and mathematics teachers who have profited by fellowships and grants for study in programs in this field held over the country.
- (4) The provision of new science laboratories to keep up with the expansion of enrollment. For instance, a new laboratory will be opened at Lincoln High School this fall.
- (5) The modernization of instructional equipment in science. At the final adoption of the budget, August 5, 1958, the Board granted the Superintendent's request for additional funds to provide up-to-date equipment to promote instruction in newer phases of science.
- (6) In the elementary schools there is being distributed a guide of specific suggestions for the correlation of science instruction with the social studies.
- (7) The possibility of developing a biochemistry laboratory at Galileo High School. This would



EDUCATION (continued)

provide for that school a science and mathematics stimulus parallel to that created at Polytechnic when the present Lux Electronics Laboratory was developed there.

The Establishment of a New Instructional Program in the Teaching of Modern Foreign Languages, Emphasizing a Practical Mastery of the Spoken Language.

The program will be patterned after the United States Army Language School at the Presidio of Monterey, with full cooperation of that school and the services of a consultant who is on the staff there. Changes will reflect local conditions.

This program will be operated in one of the high schools and its feeder junior high schools for grades 9 through 12, with the intention of giving the student a concentrated attack on the language preferably 4 years with no less than 3 years of instruction.

Since this method emphasizes first the pronunciation of the language, the proper sound equipment will be installed in the schools and provisions made for the development of the instructional lessons, recordings, etc. The teachers who will work in the program will take in-service work in the methods involved including direct observation and examination of the program at the Monterey Army School.

The Establishment of A Trial Educational Television Program

The Board of Education has authorized the Superintendent to enter into an agreement with television station KQED for the utilization of that station's educational curriculum services in as many as one-third of the schools of the district. Television receivers will be placed in 41 locations covering elementary, junior, and senior high schools as chosen by the representatives of those departments.

Programs of special value to the school district would be:

Conversational Spanish. The elementary schools generally would use this program, and the junior high schools would audition it during the fall with a view to using it in the spring.

State and Local Government Series. This series would be used by the junior high schools.



EDUCATION (continued)

Other Programs to be Developed. Contracting school systems will participate actively in the development of new programs and in the improvement of its initial ones.

This program will operate during a trial period in which a representative committee, including teachers and administrators, will determine the educational possibilities of television in the San Francisco schools.

Concentration Upon The Continued Improvement of Guidance and Counseling Procedures In Connection With the Close Direction of the Students in their Selection of Courses As They Move Through the Secondary Schools.

This emphasis during this school year is in keeping with Points 2, 4, and 5, as outlined in the 15-Point curriculum statement issued by the Superintendent last spring. It involves such factors as the identification of abilities, close working relationships with the homes in the selection of courses and colleges beginning in the 8th grade, special attention in helping the student hold to his college objective, etc.

The schools will be encouraged to develop proper guidance instruments such as program of studies sheets, parent cards to designate college selections, etc.

Extension of Work Experience

It is fully appreciated in the secondary schools that a great many students can profit by a high school program that includes on-the-job experience out in the community. In meeting July 10, 1958, the California State Board of Education approved new regulations concerning the amount and credit for work experience. It is appreciated that even though a great many students could profit by this type of program, the expansion is subject to employment conditions in the community. To expand this program in the schools calls for concentrated effort on the part of school administrators and guidance officials who are in a position to make new contacts or extend present ones in the placement of students.

The Establishment Of A Special Curriculum Improvement Fund of \$50,000

At the final budget hearing, August 5, 1958, the Board of Education approved the Superintendent's request for a special curriculum fund to serve the development of special improvement projects during the current school year.

EDUCATION (continued)

Class Size

The size of classes in the schools is determined by formulas adopted as Board policy. As the schools continue to increase in enrollment, more teachers are added to avoid increasing class size, thus maintaining present standards.

The number of pupils to a class on the average is: 1st grade, 26 to 27; 2-3 grades, 32; 4-5-6 grades, 35. Junior and senior high school classes average about 32.

The class size average in the San Francisco schools is comparable to the state as a whole, as reported in recent studies by the State Department.

Child Care Center Program

The Child Care Center program operated by the Board of Education provides day care for approximately 1300 children of working mothers, representing over 1000 families of which 73% were of sole parent families. The program for 1957-58 was financed from parents' fees (30%), state apportionment (47%), and district funds (23%). The state apportionment and parents' fees are established under state legislation and remain constant. In order to reduce the amount required from local taxes, on the recommendation of the Superintendent, the local Board reduced the Child Care Center budget by \$50,000, without reducing service or number of centers. This was accomplished through a program of greater efficiency within each center.

Recommendation

The 1958 Grand Jury Education Committee recommends that the 1959 committee review and consider the progress of this Child Care Center program in order to determine that no further budget cuts be taken if it would in any way impair the service or effectiveness of this program.

Adult Education

With the fiscal year 1958-59, the Board of Education established fees for certain courses on a trial basis. The fee of \$3.00 per semester was established for classes in Arts and Crafts, Dramatics, Homemaking, Industrial Arts, Music, Photography, Public Affairs and Discussion (where the enrollment anticipated is less than 100), Conversational Languages, Investments and Writers Workshops. Fees were not authorized for other courses such as Academic subjects, Commercial classes, Apprenticeship and Trade Extension programs,

EDUCATION (continued)

etc. The California Education Code prohibits the charging of fees for Americanization, Citizenship, English for Foreign Born, or classes in elementary subjects. The Board further exempted fees from being charged to enrollees for any classes located in or sponsored by non-profit public welfare agencies and private welfare service institutions including hospitals. Also exempted from the payment of fees were adults who were recipients of aid under the Welfare and Institutional Code, and pupils attending adult classes for the purpose of obtaining a high school diploma.

For this fiscal year the fee charged for adult driver training instruction was increased from \$10 to \$15 for the course, representing 18 hours instruction of which 6 hours is behind-the-wheel training.

Dr. Spears reports that fees paid for San Francisco Adult Education have amounted to less than half the sum anticipated when these charges were first imposed July 1958. He states the Board of Education appears to have two choices - (1) either curtail the adult education for next semester, or - (2) transfer funds (some \$30,000) from the undistributed reserve account to make up the deficit. The Adult Program had an enrollment of approximately 61,000 last year when virtually all courses were free. If the same number that took the free courses had taken them this year the school department would have collected some \$36,000 this semester. So far only about \$17,000 has been collected, indicating a drop in enrollment in the courses where fees are charged.

Recommendation

This Committee recommends that the 1959 Education Committee give this Adult Program problem their considered attention in order to prevent the curtailment of adult education.

Public Law 874

Under Public Law 874 financial assistance is provided to local educational agencies to help defray in part the cost of educating "federally connected" pupils. This financial assistance is provided on the basis of the number of pupils whose parents reside and/or work on federal property, which property is excluded from the local tax rolls. Approximately 9% of the children attending the San Francisco Schools may be classified as "federally connected" children. This public law expired on June 30, 1958. The Board of Education, with the assistance of Congressmen Shelley and Mailliard, successfully supported legislation this year to re-enact Public Law 874. This legislation will now benefit San Francisco to the extent of approximately \$600,000 annually. This

EDUCATION (continued)

is \$200,000 more than in the past due to features instigated locally

High Quality of High School Academic Program

For the entire period since the University of California began to announce grade-point averages of its entering classes, each San Francisco High School has made a record higher than the average of other public high schools in the state -- and always the average public high schools is better than the average of private schools. During the last six years, the high score locally has been made by five different high schools -- and in all but one year this also was the top or near the top score for the entire state.

Not only do San Francisco graduates make outstanding records at the University of California, Stanford, and other similar institutions in California, but they do equally well in the leading universities throughout the country. On the National Merit Qualifying Test (probably the best single measure of the quality of a school's academic work), local students this year did at least 50 per cent better than the national average. In the English A examination given last spring by the University of California to check on the preparation of entering students, 80% of San Francisco graduates passed the test, whereas the average for all entering students was only 55%.

The following data, on last spring's graduating classes, will illustrate the strong emphasis on academic work in the San Francisco high schools:

80% of the graduates had $3\frac{1}{2}$ or more years of English
83% of the graduates studied a foreign language
23% of the graduates had $3\frac{1}{2}$ or more years of mathematics
5% of the graduates studied analytic geometry and/or the calculus
46% of the graduates studied science for $2\frac{1}{2}$ or more years
43% of the graduates studied chemistry

Tax Limitation Increase

The Board of Education sponsored a proposition at the June 1958 general election which would increase the statutory tax limit from \$2 to \$2.50 for each \$100 of assessed valuation. The tax limit is established under the California Education Code. Any increase in the statutory limit requires approval of the voters of the School District at either a special or general election. In order to save the cost of a special election, the Board of Education

EDUCATION (continued)

placed the measure on the ballot for the General State Primary election.

An increase in the tax limit was necessary because of rising costs due to the inflationary spiral and a continuous annual increase in enrollment in the elementary, junior and senior high schools. The past two years the annual increase in pupils has gone up to 4500.

This measure was approved by the electorate at this election, strong public support for the schools being indicated by the large "yes" vote which amounted to 70% of the votes cast.

However, due to a Charter Amendment sponsored by the Board and approved at the November 1957 election, the 1958-59 School District tax was \$1.84 compared with a tax rate of \$2.06 for 1957-58. This charter amendment gave credit to the district on its obligation to the local retirement system the amount contributed for those teachers who withdraw from the San Francisco Employees Retirement System and retire under the State Teachers Retirement System. This Charter Amendment was retroactive to 1956-57, and, therefore, gave the District the advantage of two years credit for this item in establishing the 1958-59 tax rate.

Board of Education

The 1958 Board of Education was comprised of the following members:

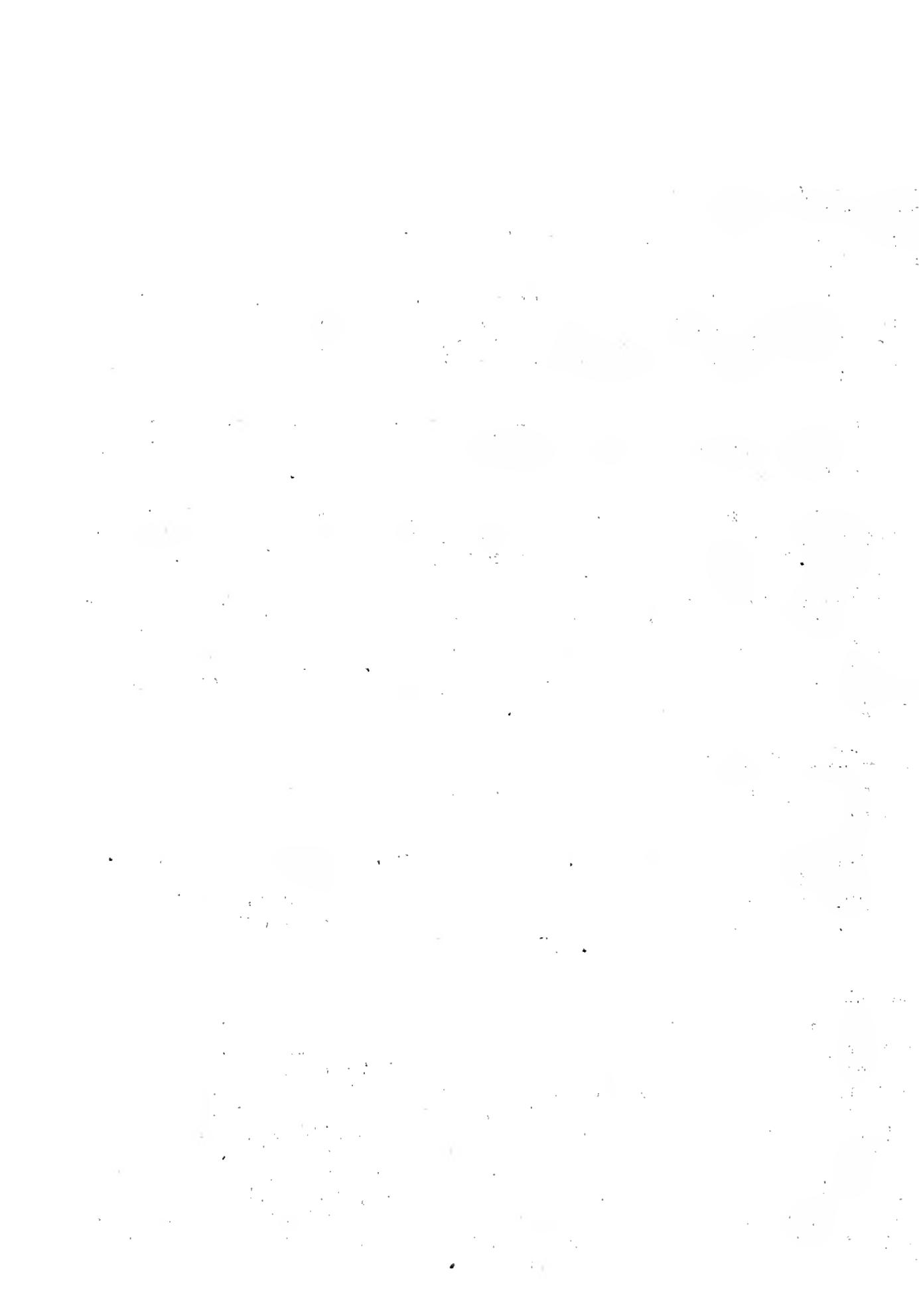
Mr. Joseph A. Moore, Jr.
President
Mr. Adolfo de Urioste
Mr. John G. Levison

Mr. Elmer Skinner

Mrs. Lawrence Draper, Jr.
Vice-President
Mr. Charles J. Foehn
Mrs. Edward Matzger

General

The 1958 Education Committee of the Grand Jury recognizes the grave responsibilities of the Superintendent of Schools, the Members of the Board of Education, the Administrators and the Teachers in providing our children with the highest level of academic and scientific instruction to the full potential of the individual pupil. The exercise of this responsibility may well be of the utmost importance to the future of our Nation. With this grave responsibility in mind we wish to commend most highly Dr. Harold Spears, Superintendent of Schools, the Members of the Board of Education, the School Administrators and the Teachers for their continued and assiduous efforts in implementing and maintaining maximum educational standards.



EDUCATION (continued)

(Superintendent Spears' 15-Point Program)

Considerations In Strengthening the Present Curriculum of the San Francisco Schools

There is apparent in America today an unabating anxiety over education. It reflects the realization that our nation's security is dependent upon proper education as well as upon proper armament. Beginning with the school's responsibility to meet personnel needs for our highly technological society, the anxiety has spread to the general effectiveness of the schools.

This deep concern represents a public mandate to the schools to examine closely their operation with the idea of doing a more solid job. Beneath current criticism of education is a deep public faith in the possibilities of the American school system. It behooves our local school system to make a close scrutiny of its curriculum and supporting procedures for the purpose of strengthening the basic elementary and secondary school programs.

Since last fall, I have been studying this matter from various angles with a number of people in and out of the school system. The State Conference on the subject in Sacramento last week provided further clarification of the possibilities. I feel it is now timely to present to the Board of Education and the faculties of the respective schools the following suggestions to encourage study and change of program.

1. The inherent talents of every pupil must be recognized early, protected, and developed to the fullest through courses jacked up to his particular level.

Since our national pattern of education provides a common school, the concern for the gifted --- and rightly so --- is that he may be lost in the mass movement of children through the school, that he may be content to take courses and do class work on levels below his potential. A person's full realization of his life potential is dependent upon keeping work up to his level. Furthermore, America cannot afford to waste her native talent or brain power.

Our obligation to provide courses and expect classroom performance on the pupil's true level is applicable to all students. The support of the home is solicited in this matter of stepping up the output of the individual pupil in the school.

2. The standardized testing program to serve this identification of ability and to check accomplishment in accordance, must be sufficient for the purpose. But to go beyond this point in tests given would be to rob teachers and pupils of time better

EDUCATION (continued)

devoted to instruction and learning.

3. Although we follow the junior high school plan of school organization, the ninth grade of that school must be tied more closely into the senior high school's preparatory program for those going to college.

For instance, foreign language should be begun in the ninth grade, and in the course continuity there should be no greater break for the student between ninth and tenth grades than between tenth and eleventh.

4. Students taking a college preparatory course should make such selection in the eighth grade.

Such decision calls for careful course selection resulting from three-way conferences of pupil, counselor, and parent. Available test scores as well as performance records should be used to the fullest to inject reality into course selection. This is not to imply that there should be one set program for all college-bound students.

The seventh grade should continue emphasis upon the basic program of fundamentals extending from the elementary school. It likewise can facilitate exploration of one's abilities in new courses as an aid to later selection of a high school program.

5. As soon as possible the college preparatory pupil, with parent endorsement, should file with the school a card indicating the specific college or type of college which he hopes to attend.

Entrance requirements of such college should be provided the pupil and the parent, in printed form, to help guide further course selection.

As the pupil moves up from semester to semester, the school should check carefully his fulfillment of these requirements, and in case of difficulties should take steps to provide help rather than to leave the problem merely with the pupil and parent. Redirection of the pupil's course at any stage represents a major decision involving the home.

6. Our high schools should re-examine carefully their graduation requirements with the idea of strengthening such program. Besides overall graduation requirements there must be those for the specific fields, such as college, stenography, etc.

Since a high school is made up of many instructional

EDUCATION (continued)

departments, and rightly so, all should have representation in a study program leading to the decision of required courses.

7. A high school faculty could well consider giving its college-bound seniors more experience with class procedures to be encountered on the college campus. For instance, a particular subject might well lend itself to the lecture method and to larger class size, another to the seminar and a smaller group.

8. For the more gifted seniors in the high schools, our schools should extend the present practice of providing them extra courses which will provide them college credits to be applied once they have enrolled in the college in question.

We should examine more carefully the possibility of moving into college earlier outstanding high school students in whose case the law of diminishing returns seems to be operating before they reach the last semester.

9. The modernization of the science courses, which is already underway, should be stepped up even more in our schools.

Training for science vocations is not enough. Science literacy, the ability to live in a highly technological society, is essential for all students going through our schools.

To encourage this the Superintendent will later recommend for this summer some intensive in-service courses for teachers wishing such help. The courses would be provided at District expense, would provide in-service credits, would be taught by competent instructors, and would be subject-matter courses in the respective fields.

For instance, elementary teachers might wish background or refresher courses in math and science, and secondary teachers courses in new subject matter in these areas.

10. Effective use of the native language must continue to be a major objective of the curriculum from the time the child enters school until he graduates.

There is room for study of better techniques in classifying students as to specific goals in language work, to enable a school to see at any time the progress and accomplishment of a given student in this field.

11. It is recommended that for the coming year, a team of five top teachers from our schools be brought into the central office to

EDUCATION (continued)

study improvements in the basic fields of mathematics, English, science, and foreign language, and would cover all school levels.

This work would involve close contact with the various schools, and would involve the ideas of a maximum number of teachers.

Effective curriculum improvement is not the sole province of an individual or a particular group of individuals. It is the right of every teacher and every faculty unit in a school system. In fact, in the end, the total improvement in our basic program of education will be the sum total of the improvement made in the individual classrooms.

12. The basic courses in American history and civics, taught at all three levels -- elementary, junior high, and senior high, must be emphasized. The American way of life -- its basic principles and features and its national background must be fully appreciated by every student who graduates into civic life. Only then can our nation's security be really assured.

13. Periodically throughout the school program proper emphasis needs to be given to study habits, representing systematic help in study procedures found by the experience of teachers to be most effective.

How to attack subjects and subject matter is closely related to how to use it. Learning to think, which is always a major goal of teaching, comes from learning how to use the knowledge at hand. Help in how to study can hardly be separated from actual instructional help in how to think through and with subject matter.

14. These suggestions do not represent an invitation to de-emphasize the high school programs provided outside of the college preparatory field, such as bookkeeping, clerical, salesmanship, industrial arts, and home economics. These hold their rightful place in a school system which serves all youth and the various lines of civic endeavor. The proper balance of enrollments among the various high school programs will continue to be the challenge of counseling.

School courses leading to a particular occupational field, such as stenography or electricity, demand the careful organization into a required sequence covering a period of school years, just as much so as do the courses leading to a college.

15. In this emphasis upon instruction, school administrators by working through representative teacher committees in their schools must study the desirable means of protecting the classroom

EDUCATION (continued); LIBRARIES

situation against unnecessary interruptions. Teachers organizations have already called attention to this problem. Although overall district consideration of the matter will get underway, individual schools might well consider their own situations.

These proposals invite a "tightening the instructional belt" approach to our schools. They are made not in violation of what we know about the differences of pupils, but rather in appreciation of such. There is no reason we can't step up our operation to hold every pupil to work he is able to accomplish. But such a goal cannot be attained by mere demands upon the pupil. It calls for stepped up instructional and administrative output as well.

These proposals are not intended to be all inclusive and are presented to invite further thinking by faculties and individual teachers.

HAROLD SPEARS
Superintendent of Schools

March 4, 1958

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LIBRARIES

The initial meeting of the 1958 Library Committee with Mr. Laurence J. Clarke, City Librarian, elicited the information that the Library Department was faced with three paramount problems due to lack of funds which was hampering it in functioning efficiently and effectively; i.e.:

- (1) The renovation and modernization of its Main Library;
- (2) The employment of additional trained and professional librarians; and
- (3) The lack of additional books.

Over the past years money has been requested in the Library Budget for the purpose of renovating and modernizing the Main Library to render it more functional and thereby bring about a higher type of modern library service to the public; for the employment of additional trained and professional librarians; and for additional books. These appropriation requests have been consistently deleted from the budgets with minor exceptions.

Because of the above conditions, the Library Commission some two years ago first recommended that a formal survey be made of the

LIBRARIES (continued)

Library and its various procedures. It was the consensus of the Library Commission that an expert in this field should be employed for this survey and on April 8, 1958, Mr. Emerson Greenaway, Director of the Free Library of Philadelphia, an outstanding expert in this field, was commissioned to conduct this survey at a cost of \$7500.

Mr. Greenaway completed his survey on October 3, 1958, for submission to the Library Commission. It is extremely gratifying to note therefrom that the results of Mr. Greenaway's survey bear out prior recommendations made by the City Librarian, Mr. Laurence J. Clarke and the Library Commission.

The Library Commission appointed a Special Committee of its members, consisting of Messrs. Moore, Chairman; Schwabacher and Vavuris, to study and analyze Mr. Greenaway's survey. The first meeting of this Special Committee was held on November 24, 1958, and was attended by the 1958 Library Committee and other members of the 1958 Grand Jury. The Special Committee recommended the following in its first preliminary report:

1. The creation of a Committee of 50 outstanding community and civic leaders to assist the Commission in securing a broad base of understanding and to aid in the study, support of library development, and in public relations.
2. The creation of the position of Assistant City Librarian whose responsibilities shall include supervision of all public services, including public relations.
3. The creation of the position of Chief of the Main Library to provide for the supervision of the Main Library Public Departments.
4. The establishment of 3 positions which would supervise the coordinating of (a) adults; (b) young adults; (c) children, which would be on the same level as the present Chief Librarian. These three coordinators would inaugurate a dynamic program for the three age level groups for both the Main Library and throughout the entire branch system, and further would develop more effectively the book selection policies for the Library Department.
5. The Committee recommended that consideration be given to closing the Main Library on weekdays at 9 p.m. and opening the Main Library on Sunday from 1:30 p.m. to 5:30 p.m. The City Librarian was requested to prepare statistics

LIBRARIES (continued)

providing for Sunday staffing under the present staffing and opening some of the major branches from 2 to 5 P.M. The following Branches were suggested: Mission, Ortega, Marina, Richmond, North Beach and Merced.

6. The Committee recommended that the Civil Service Commission be requested to make a comprehensive survey of the Library in accordance with the Greenaway Report, wherein Mr. Greenaway recommends proposed professional classifications of Librarian I, II, III, IV, V, Assistant City Librarian and City Librarian which increases the professional categories as is now operated under the present Civil Service Regulations.
7. The City Librarian was requested to furnish an analytical listing of all changes, including cost estimates. A recapitulation follows:

Creation of Position of Asst. City Librarian	\$ 10,000
Establishment of 3 positions of Coordinators	19,440
Music Dept. (33 Units Wall Shelving)	3,750
Exhibit Room (44 Units Wall Shelving)	3,950
Newspaper-Periodical Room (Shelving)	19,484
Removal of Periodical Dept. to 1st Floor . . .	51,896
Removal of Wall between Commissioners Room and Periodical Dept., involving major construction	68,120
Sunday Opening (Main Library and various branches)	4,767.08
12 New Positions (36 hrs. per wk. and 4 hrs. Sun	57,600.00
Library closing 9 P.M. weekdays	2,667.08
	<u>\$ 241,563.16</u>

The 1958 Grand Jury Library Committee approves the foregoing recommendations of the Special Committee, with special emphasis upon the opening of the Main Library and strategic Branches thereof on Sundays from 1:30 P.M. to 5:30 P.M.

North Beach Branch Library

Construction was commenced on the North Beach Branch Library early in 1958. It will be officially accepted by the City of San Francisco on December 16, 1958, and will be formally dedicated on January 29, 1959. This Library Branch is one that has been long sought for by the residents of North Beach District, and will be a splendid addition to the Library Project Building Program. A supplemental budget request in the amount of \$35,000.00 was allowed for the purchase of approximately 15,000 volumes for this Branch.

LIBRARIES (continued)

Library. The total cost of construction was \$258,534.01.

General Recommendations

The Library Committee of the 1958 Grand Jury submits the following recommendations with the hope that they will be implemented at the earliest possible time, and that the Administration make available by budget appropriation sufficient funds to:

1. Provide adequate lighting at the Main Library and several of the Branch Libraries. Funds for this purpose were deleted in the budget for the last fiscal year.
2. Provide for sufficient number of books to service all Library Agencies, - books being the primary objective of a Library service.
3. Provide for the construction fund for the McCreery Branch Library at 16th and Market Streets which was destroyed by the earthquake of March 22, 1957, and which was condemned by the Department of Public Works. This Library serves a very important section of the City, particularly the older and retired residents of the City who should be given Library Service at the earliest possible time.
4. Acceptance of the Greenaway Survey with particular emphasis on the contemplated program of the building rehabilitation of the Main Library to eliminate waste space areas; and employing additional recommended trained and professional librarians.

The Library Commission for the year 1958 is composed of the following members: Bert Simon, President
Rose M. Fanucchi, 2nd VP
Campbell McGregor
J. Max Moore
S. Lee Vavuris
Laurence J. Clarke
City Librarian

Albert E. Schwabacher, Jr., 1st VP

Rev. F. D. Haynes

Mrs. J. Henry Mohr

Mrs. Hazel M. O'Brien

Dr. Thomas Wu

Frank A. Clarvoe, Jr.

Secy. to Commission

The Schools and Library Committee of the 1958 Grand Jury

LIBRARIES (continued)

wishes to commend the Library Commission on its successful efforts in bringing about the study and survey of the San Francisco Libraries and their various procedures in order to improve and develop good library service for the people of San Francisco. The Committee also wishes to express its appreciation for the kind cooperation and assistance extended to it by Mr. Laurence Clarke, City Librarian and Mr. Frank A. Clarvoe, Jr., Secretary to the Commission, and to commend them highly for their ability to so adequately provide library service under the present handicaps.

MARGARET KLAUSER, Chairman

ANGELO CAMPANA

ROLAND YOUNG

COUNTY CLERK

Your Committee has had many meetings throughout the year with the County Clerk, Mr. Martin Mongan, and found him to be a very competent administrator of an efficient department. When one realizes that his office has jurisdiction over the Marriage Bureau, Hall of Records, as well as the court attaches of twenty-six courts, it is understandable that the county clerk has a tremendous responsibility. The court attaches are assigned to three courts at the Hall of Justice, one juvenile court, one court in San Francisco Hospital, and eighteen courts in the City Hall.

Annual Report

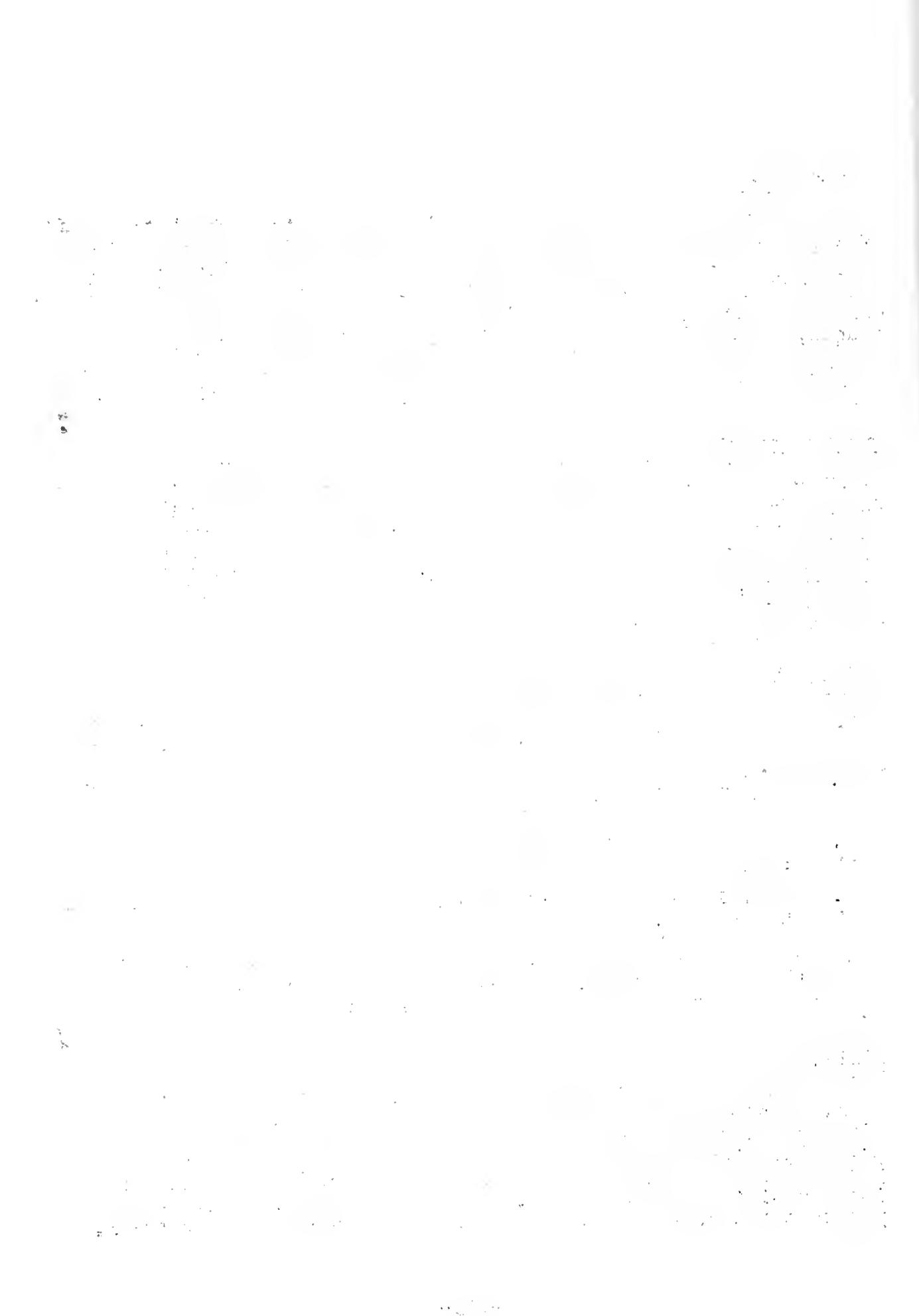
The revenue of the office for the year 1957-58 reached a quarter of a million dollars for the first time. This is an increase of \$25,000 over the previous year, and is due primarily to an increased fee schedule approved at the last session of the legislature. Another first occurred in filings of estates and guardianships, for a total of 3,666. The number of civil actions rose to 10,365. The number of marriages dropped to 6,525, over 400 less than last year, while the number of divorces remained the same at 2,442.

Some General Recommendations

1. Substituting of microfilming for the current photostatic reproduction service will be more economical in operation and space.
2. Providing of better lighting in the office for the benefit of both the public and the personnel.
3. Completion of the shelving program in the basement storage area.
4. Providing new and more stable chairs for use at the reference tables.
5. Better fireproofing of records. The committee sees this as the greatest need. A half century does not let us forget what happened to San Francisco's records in 1906.

Problems

The County Clerk faced two serious problems during the year, both brought on as a result of investigations by state committees. Your committee looked into both investigations thoroughly. The first concerned the Marriage Bureau. The state committee found by investigation that marriage and court clerks were receiving gratuities for marriages. We found no case of soliciting a fee and that the state law does not prohibit accepting a gratuity. As



COUNTY CLERK (continued)

a result, two clerks in the Marriage Bureau felt disciplinary action - a week's loss of salary. These men were later changed to other posts in the county clerk's office. This Committee agrees that the recent policy of the County Clerk of rotating clerks within the department will help solve this situation. However, we found that the custom of gratuities has gone on for over fifty years, not only in this county, but in most of the counties in California. While we agree that custom does not make it right, we urge that a strict policy as to gratuities should be established. We feel that the penalty imposed on the marriage clerks was unwarranted.

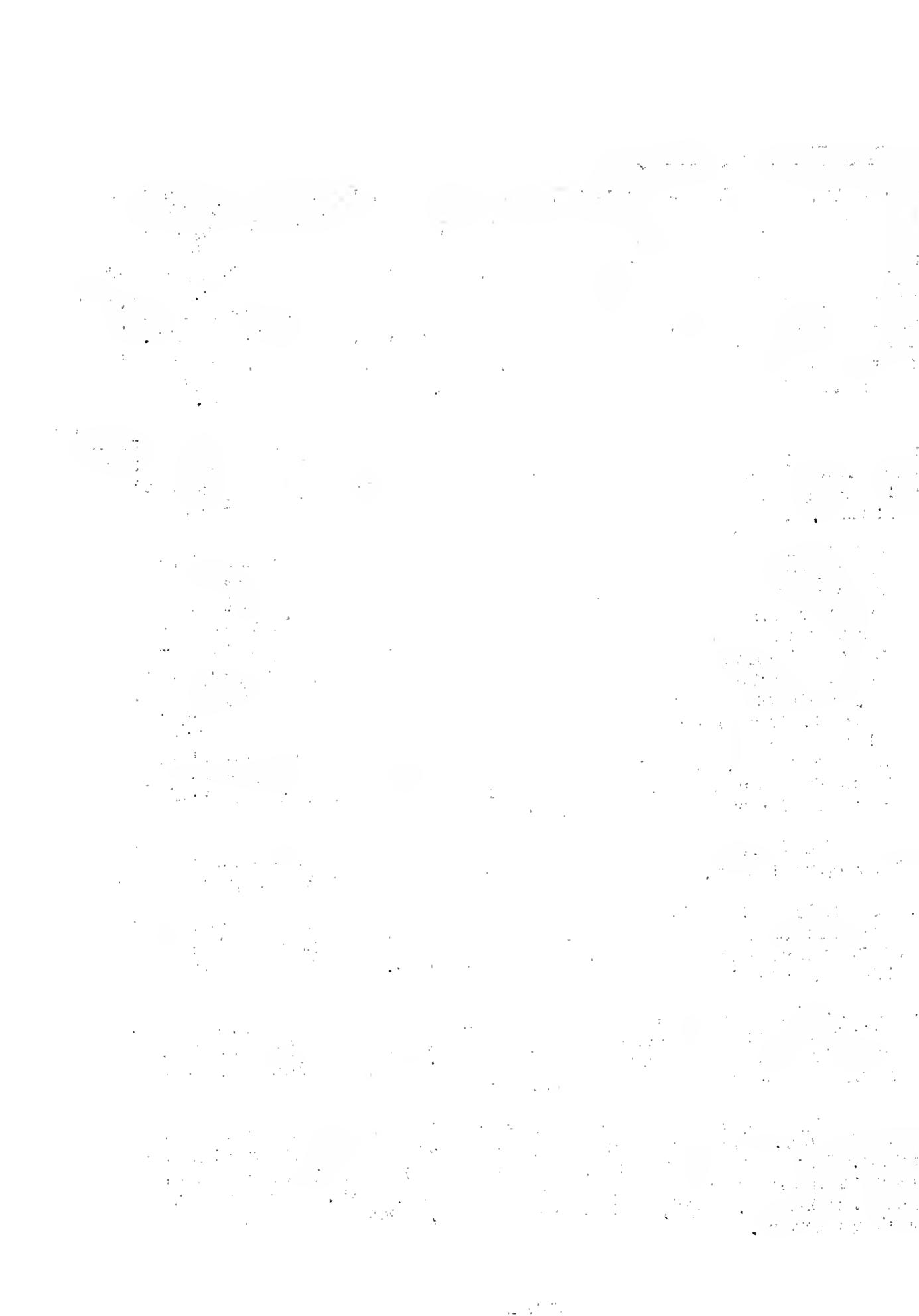
The purpose of a senate committee is to make an investigation of a situation that may need remedial legislation. To protect the powers of the committee and to assist in gathering information, the immunity clause of the state Government Code, Sec. 9410, was instituted. It states:

"A person sworn and examined before the senate or assembly or any committee cannot be held to answer criminally or be subject to any penalty or forfeiture for any fact or act touching which he is required to testify. Any statement made or paper produced by such witness is not competent evidence in any criminal proceedings against the witness. Further, the witness cannot refuse to testify to any fact or to produce any paper touching which he is examined, for the reason that his testimony or the production of the paper may tend to disgrace him or to render him infamous. Nothing in this section exempts any witness from prosecution and punishment for perjury committed by him on examination."

We feel that the above code section clears these men of monetary punishment. The Committee has the following suggestions:

1. A fee in addition to the charge for the marriage certificate should be established. The ceremonial fee should be comparable to those set by ministers or churches. The fee should go to the general fund.
2. A schedule of availability of judges would help couples desiring a civil ceremony. We suggest that the presiding judges of both the Superior and Municipal courts may assign one judge each on a weekly or daily basis.

The second matter concerns court attaches receiving fees from the court. This is claimed to be a violation of Charter section 222, "Outside Interests", and Rule 36 in particular, which is an operating order prohibiting outside employment. A City Attorney's opinion, No. 4036, dated December 3, 1947 clears this point without question.



COUNTY CLERK (continued); PUBLIC ADMINISTRATOR

"Rule 36 does not relate to appointments by the Court as appraisers, referee or receiver. The Superior Court has exclusive control of its ministerial officers in all matters relating to the court and that the matter of fees ordered paid for service in such appointments is not a concern of the City and County of San Francisco."

As to the splitting of fees, we feel that the County Clerk is not omniscient and has no way of telling if fees have been split. We suggest that a rotation of clerks of the court should help to correct this situation.

In conclusion, we congratulate Mr. Mongan for his positive attitude in correcting an embarrassing situation.

PUBLIC ADMINISTRATOR

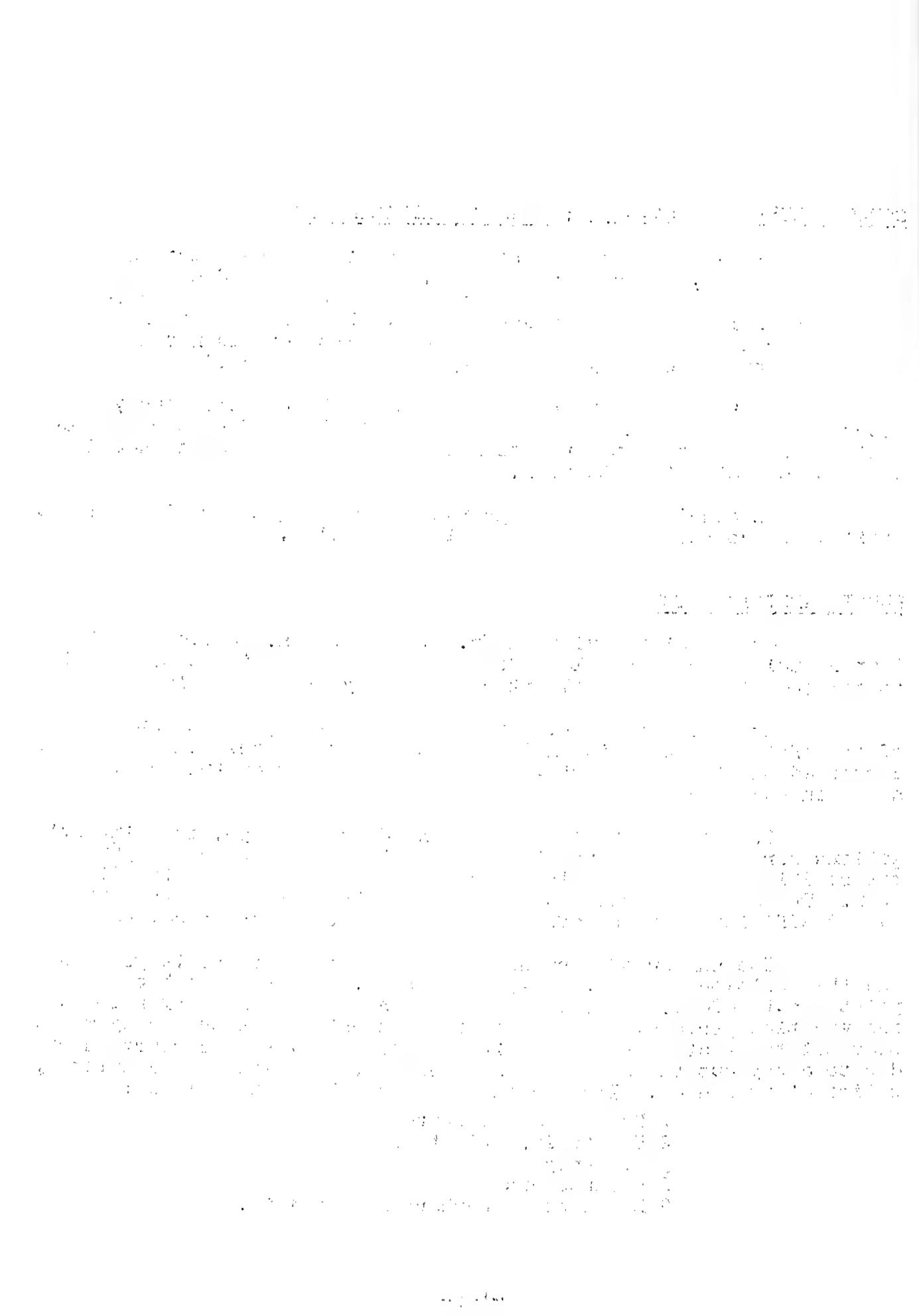
Our committee visited Mr. W. A. Robison, Public Administrator, twice during his last few months before retirement. We wish to commend him on his excellent record and years of service.

As a result of Mr. Robison's retirement, a complete audit of the office is now being made by the firm of Cecchi and Scheibner, certified public accountants. To date the result of this audit has not been received.

During the fiscal year ending June 30, 1958, 1249 investigations were made; letters of administration were issued on 567 estates; 771 estates were being processed as of the end of the fiscal year. The number of open estates on hand indicates that the ability and efficiency of the office staff is of the highest caliber.

The number of permanent employees seems to be large enough and the positions are correctly classified. However, as has been pointed out before, there is a definite need for temporary help during vacation periods. We feel that an investigation or survey would bear out the fact that this additional help is very necessary in order to carry out the normal operations of the office in a completely satisfactory manner. The permanent personnel are as follows:

- 1 Public Administrator
- 2 Estate Investigators
- 3 Attorneys
- 2 Bookkeepers
- 8 Legal stenographers and typists.



PUBLIC ADMINISTRATOR (continued) RECORDER-REGISTRAR OF VOTERS

All employees are on a straight salary basis. The commissions of the public administrator and the fees of his attorneys are deposited into the general fund of the City and County. The department revenue for the fiscal year ending June 30, 1958 was \$179,038. The following figures are a statement of income and expense for the past six years:

<u>Fiscal Year</u> <u>ending June 30</u>	<u>Number of</u> <u>New Estates</u>	<u>Fees and</u> <u>Commissions</u>	<u>Expenses</u>	<u>Net Operat-</u> <u>ing Profit</u>
1953	496	\$108,133.	\$ 70,207.	\$ 37,926
1954	513	120,613	79,140.	41,473.
1955	514	160,006.	84,118.	75,888.
1956	498	195,508.	90,236.	105,272.
1957	490	208,765.	95,784.	112,981.
1958	567	179,038.	105,965.	73,073.

Mr. Con S. Shea succeeded Mr. Robison on October 1, 1958, being the successful candidate for the office of Public Administrator as the result of a civil service examination held in July of this year. Mr. Shea comes to this office with an excellent background in the field of inheritance tax from the Treasurer's office.

Your Committee does not feel that Mr. Shea can make any changes in such a short time. We feel that office operations should be brought up to date, and suggested to Mr. Shea that he visit the trust departments of local banks for new ideas as soon as he is familiar with all the functional operations of his department.

RECORDER

The records of the Recorder show that the business of the office has indicated a steady increase over the years. There has been no additional personnel employed by this office for the last twenty years.

During the fiscal year ending June 30, 1958 there were 90,560 documents recorded, exclusive of marriage licenses, representing fees collected in amount \$207,290.80. The actual expenditures for the same year were \$170,726.60. An additional income which is not credited to the Recorder's office is from title insurance companies and record searchers, etc. in amount \$1,830. In addition to this, the records show that official, or free, recordings, that is, services rendered to war veterans, dependents of war veterans, compensation and pension claimants, old age claimants, and miscellaneous state and other political subdivisions of the state indicate that 5,267 papers were recorded, containing 7,366 pages, on which the normal fees would have been \$17,516.30.

1. *Chlorophytum comosum* (L.) Willd. (Asparagaceae)

2. *Clitoria ternatea* L. (Fabaceae)

3. *Crinum asiaticum* L. (Amaryllidaceae)

4. *Crinum asiaticum* L. (Amaryllidaceae)

5. *Crinum asiaticum* L. (Amaryllidaceae)

6. *Crinum asiaticum* L. (Amaryllidaceae)

7. *Crinum asiaticum* L. (Amaryllidaceae)

8. *Crinum asiaticum* L. (Amaryllidaceae)

9. *Crinum asiaticum* L. (Amaryllidaceae)

RECORDER-REGISTRAR OF VOTERS (continued)

It is recommended that an effort be made to have legislation passed that would require the state and political subdivisions to pay the county recorder for services rendered.

With the passage of an enabling act in 1957, by the state legislature, the Recorder may now photograph the original official records on microfilm. Savings would amount to in excess of 70% of the present cost of reproducing recorded instruments by the so-called photostat method. It would eliminate the purchase of record books and cabinets to contain them, and would also obviate the necessity of finding additional space for them. It has been found in at least one jurisdiction that $2\frac{1}{2}$ tons of records can be reduced by the microfilm method to just 14 pounds! The Recorder is in the process of putting short-term instruments on microfilm, but it is recommended by this Committee that as soon as possible a transition be made to full-scale operation by the microfilm method. This will not only accomplish a savings in costs and storage space, but will be an easy method to provide an additional copy for security purposes which may be filed at some location outside the target or fall-out areas.

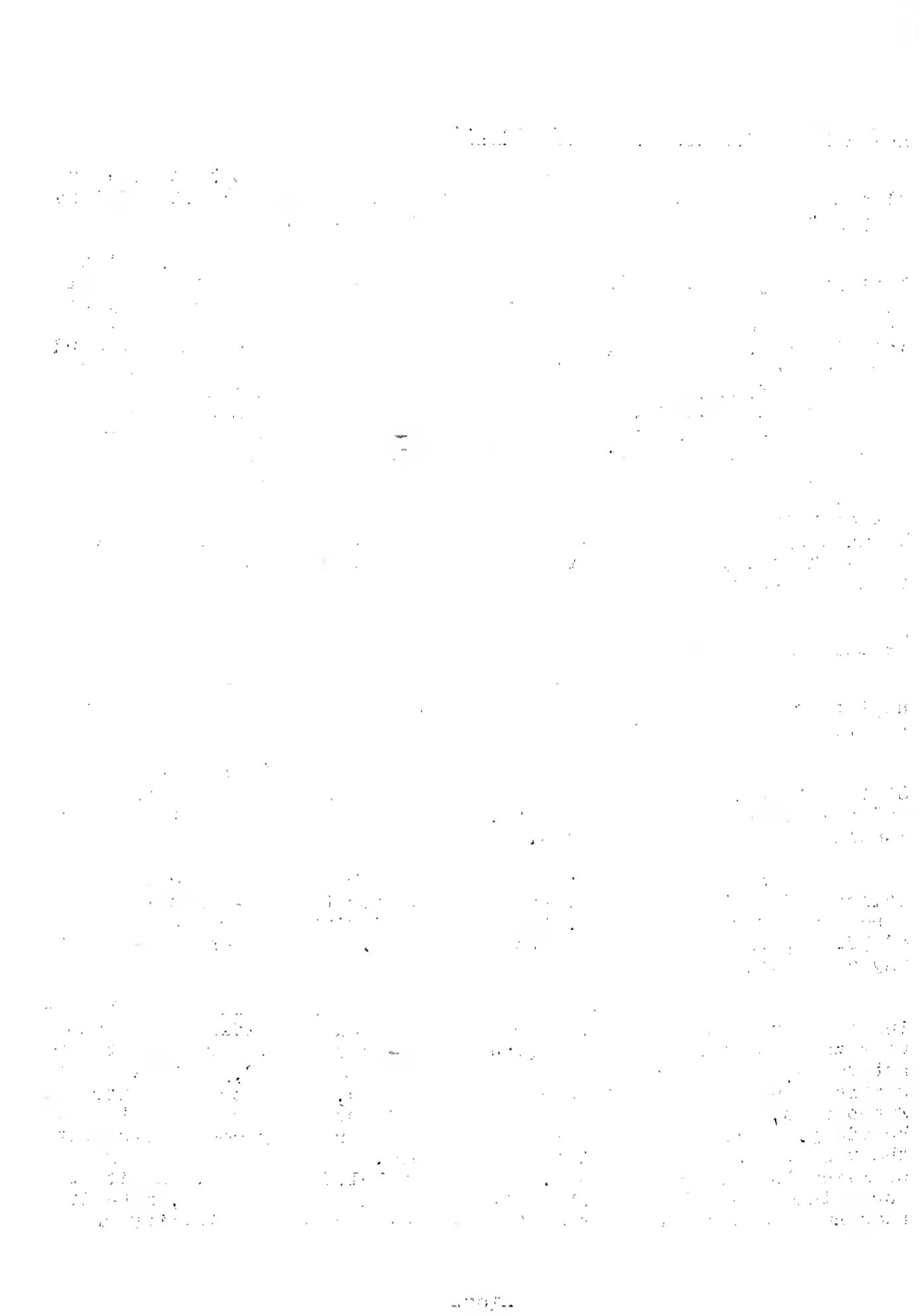
REGISTRAR OF VOTERS

Under the provisions of Section 173 of the Charter, the Registrar of Voters has complete control of all matters pertaining to elections in the City and County of San Francisco.

During 1958 the Registrar held two elections - one, the State Primary, consolidated with the Special Municipal on June 3, and the other, the General State, also consolidated with the Special Municipal, held on November 4.

The General Election appeared to be a long and complicated ballot and with a high registration. Despite the fact that the vote percentage was a record 78.85% as compared with the previous high of 72.88%, there were no errors, omissions, recounts or contests on any candidate or issue.

The immediate need of the Registrar is a city-owned building to provide a workshop, storage space, and a building to recanvass the vote taken from the 1,645 voting machines. At present market value, these machines are worth approximately \$2,500,000. As a workshop and storage unit for these machines, the city now rents two warehouses, one located at 150 Potrero Avenue and the other at 1440 Broadway. Both of these buildings are not properly constructed for the uses to which the Registrar puts them. The rental for each building is \$1,300 per month, a total of \$31,200 a year, and it is our opinion that the unsuitability, plus the high rentals, make it reasonable and desirable that the city explore the possibility of



RECORDER-REGISTRAR OF VOTERS (continued)

erecting its own building, if possible on land which can be procured without cost - either land already owned by the city, or some usable site under one of the freeways.

The Registrar's requirements are not pretentious. They could use a simple tilt-up concrete building with a good solid level concrete floor, and with proper loading docks so that trucks could be moved in and out at election time with maximum facility. If a proper site can be found and the building erected at a reasonable cost, it would be good business on the part of the city, in view of the high rentals now being paid for what appears to be the only available locations.

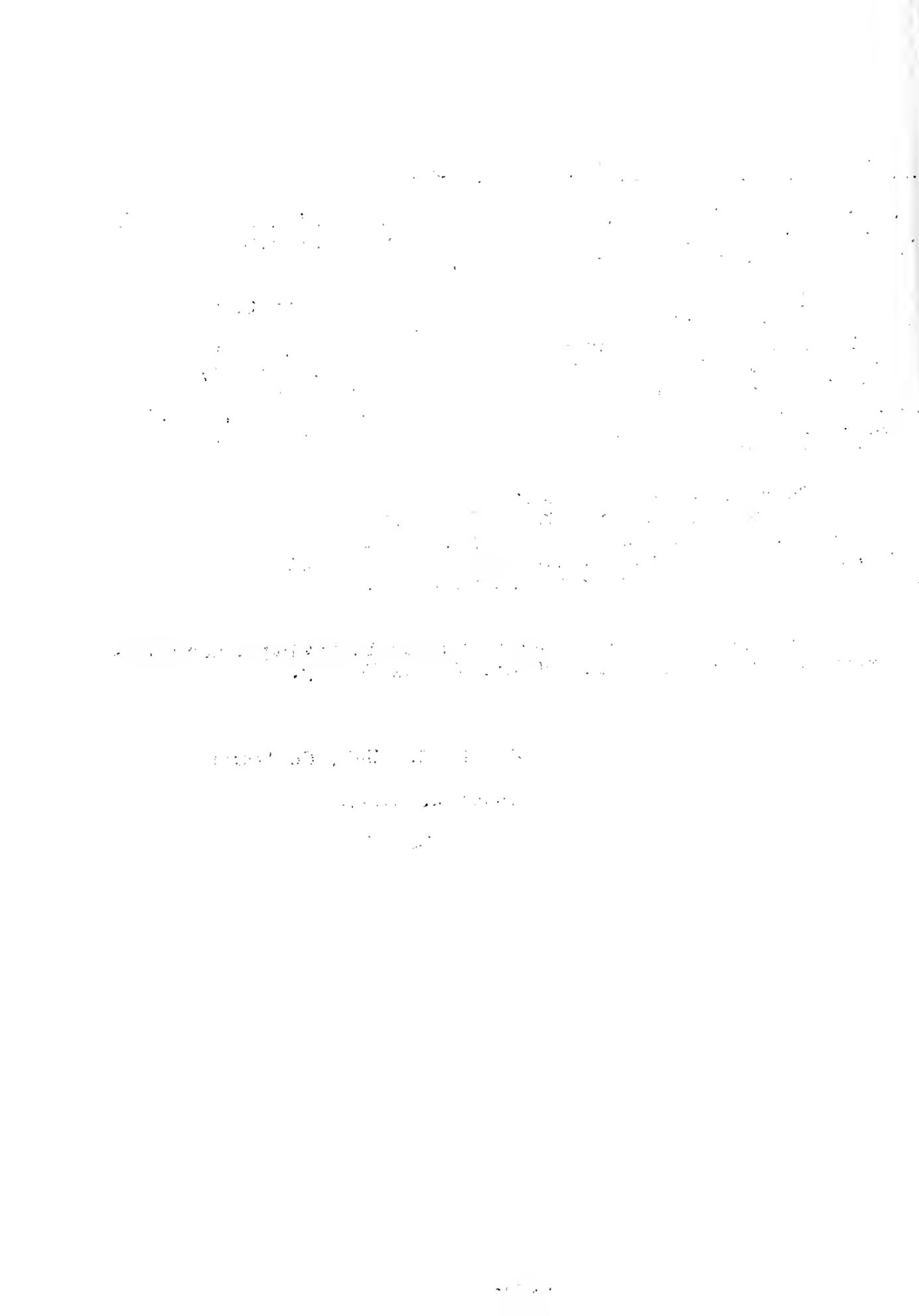
There is a further fear that should the Registrar be deprived of the use of one or both of these buildings by the owners (they are being leased on a year-to-year basis), he would be in a very precarious position and subject to considerable pressure to find adequate space for storage and workshop.

San Francisco is indeed fortunate in having a Recorder-Registrar of the capabilities of Mr. Thomas Tocmey.

JOSEPH S. QUAN, Chairman

HENRY L. GIBBS

LEO J. MURPHY



REDEVELOPMENT AGENCY

During 1958 the Redevelopment Agency reached its tenth year of operation, having been created in August 1948 by resolution of the Board of Supervisors acting pursuant to the California Community Redevelopment Law. During this period five areas have been designated for redevelopment. The South Basin Project (Area F) and the South of Market Project (Area D) have been dropped while three areas, Western Addition (Area A), Diamond Heights (Area B) and Embarcadero-Lower Market (Area E) are in various stages of planning or execution, as further described herein under the respective projects.

The reasons for the slow rate of progress over the ten year period are not readily apparent and cannot be summed up in any generalized statement. For example, an unknown length of time must be written off for initial organization of the Agency and its staff, while additional delays resulted from controversies in the early years of the Agency's existence which resulted in resignation of the Director. At about this time a legal action challenging the constitutionality of the Redevelopment Law held up progress for 18 months. More recently, difficulties in negotiating with property owners has made it necessary for the Agency to file numerous condemnation suits.

There are probably many other reasons for delays and there are doubtless many reasons why work has not proceeded at a faster pace despite said delays. Important social legislation such as redevelopment, with its problems of relocation and property acquisition cannot be dealt with as if it were a real estate subdivision on previously unimproved property. By the same token the Redevelopment Agency is now at a point where every delay can be pinpointed, and in the opinion of your committee the Agency would do well to issue and distribute to all interested persons, a monthly press release containing a brief progress report on each project. City officials and the public could then keep abreast of the Agency's problems as well as its accomplishments. Such a press release would supplement the minutes of previous meetings, which are complete and well-prepared and are distributed to press and public at the regular meetings of the Agency. However, the minutes are, of necessity, more detailed than is needed for a public understanding of progress, or reasons for the lack of progress.

Personnel, Meetings Held

As of the end of September 1958 the Agency was operating with a total staff of 32 (including the Director) with annual salaries of \$312,280. This includes eight employees on work orders from other City departments. The Director states that the present staff is adequate and it is inferred from this that any difficulty



REDEVELOPMENT AGENCY (Continued)

the Agency is encountering in carrying on its work is not attributed to the need for more employees. (As practically all Agency expenses are paid by the Federal Government, any additional employees would presumably be approved by the Urban Renewal Administration of the Housing and Home Finance Agency.)

In the ten months ended October 31, 1958 the Redevelopment Agency held 18 regular meetings and 5 special meetings. Of the 18 regular meetings your Chairman attended 7, being accompanied by the Foreman on 5 occasions. Other members of the committee attended meetings when it was possible for them to do so.

It is our opinion that the problems faced by the Agency and the steps taken to cope with these problems can best be appreciated by public attendance at Agency meetings.

Your committee enjoyed the friendly cooperation of the Director, Mr. Eugene Riordan, and the Secretary, Mr. M. C. Hermann, at all times during the year. We were supplied promptly with copies of reports requested by us regarding operations, finances and personnel, including plans for each project, and certain special reports. Copies of the minutes of each regular and special meeting were furnished and the Foreman and your Chairman were notified in advance of each meeting of the Agency.

Chairman Joseph Alioto conducted the meetings of the Agency in a businesslike forceful, yet tactful and courteous manner. Mr. Alioto was able to be present at all except a few of the meetings held, a fact considered very important in an Agency faced constantly with problems requiring the personal decision or recommendation of the Chairman.

Delays in Acquiring Property

The Agency does not have the right of immediate possession (except for street widening or new streets) but must acquire property by the slow and costly method of condemnation whenever agreement on price cannot be reached with the owner.

In order to deal more effectively with the problems as it exists today, the Agency Chairman, Mr. Alioto, proposed at a meeting of the Agency held on November 12, 1958 that a panel of attorneys, possibly six or seven, be retained by the Agency for the express purpose of speeding condemnation suits. Under this plan each attorney would be assigned three cases and as soon as one of the three was settled, the attorney would be assigned another. In this way a number of cases would be under way at the same time, saving months or years over the time required for the Agency's



REDEVELOPMENT AGENCY (Continued)

limited legal staff to handle the suits. The plan will require the cooperation of the Housing and Home Finance Agency (which would pay the fees) and the presiding judge of the Superior Court who would assign the judges to hear the cases. The matter of finding open dates on court calendars to hear these cases is itself a problem that may have to be solved by using visiting judges.

Western Addition (Area A)

This was the first area to be selected for redevelopment in San Francisco and originally comprised an area of 280 blocks bounded by Van Ness Avenue, California Street, Presidio Avenue, Broderick Street, Masonic Avenue, Haight Street, Duboce Avenue and Market Street. During 1958, on recommendation of the Agency, that part of the Western Additional Project (Area A) lying south of Fulton Street was de-designated by the Board of Supervisors and is therefore no longer considered a redevelopment area. The total Western Addition Project as now constituted is bounded by Van Ness Avenue, California Street, Fulton Street and by an irregular westerly line including Presidio Avenue, Masonic Avenue and between the latter two, St. Josephs Avenue. This report, however, concerns only Project Area A-1 consisting of approximately twenty-eight blocks bounded by Franklin Street, Post Street, Broderick Street and irregular line including portions of O'Farrell, Ellis and Eddy Streets.

The original 280 block area was designated for redevelopment by the Board of Supervisors on August 2, 1948, and at the same time the Board created the Redevelopment Agency. The original plan was amended by the Board of Supervisors September 22, 1952, and the Tentative Plan, prepared by the Planning Commission and relating only to the present twenty-eight block area, was approved and adopted by the Board on January 6, 1953. The Final Plan was submitted to the (Federal) Urban Renewal Administration on May 13, 1955, and following review and modification was approved by URA in February 1956, thereafter being approved by the Board of Supervisors on May 28, 1956.

The Final Plan was next re-submitted to the URA on June 21, 1956 and on December 5, 1956 a contract was offered by URA to the Redevelopment Agency covering the necessary financing. Loan and grant money was received by the Agency in February 1957 and appraisals were then started. Appraisals were completed in September 1957 and submitted for review to the City Director of Property, then in December to the Urban Redevelopment Administration for approval. Concurrance of URA in appraisal figures was received in January 1958 and the purchase of properties was then started.

REDEVELOPMENT AGENCY (Continued)

The above chronology, which omits many significant dates, is inserted in this report to illustrate the many steps, some legal, some procedural, which must be taken between the time a given area is first designated and the time funds are available and the purchase of property can begin.

Western Addition Project Area A-1 is being financed by Federal Government loans in the presently authorized amount of \$16,691,025. Of this amount, about one-half will be repaid from proceeds of sale of property and the remainder will be a grant to the City, dependent upon the City furnishing certain "noncash grants-in-aid" consisting of street widening, other street improvements, street lighting, sewers and similar utilities.

The acquisition of property, except for those cases which must await condemnation proceedings, seems to be progressing at a fairly good rate. Through September 30, 1958 the Agency had purchased 331 parcels for \$6,728,275, this dollar figure being more than one-half of the amount budgeted for property purchases. Condemnation suits to obtain property needed for the widening of Geary Street were filed September 10, 1958. In addition to the purchase of land and the filing of condemnation suits the Agency has demolished a number of structures and has let contracts for the demolition of many others. Agency Director Riordan, during September talked to the directors of the Sacramento and Los Angeles agencies regarding the land disposition methods used in those cities. The general question of land disposition policies has appeared on the agenda at the Agency's regular meetings with sufficient frequency to indicate that this all-important matter is having proper attention.

Diamond Heights (Area B)

This almost completely undeveloped area consists of 325 acres of hilly land lying south of Portola Drive and east of O'Shaughnessey Boulevard. The area includes relatively few improved properties and the tax revenue for the fiscal year 1956-57 was only \$24,661.64. Because little or no relocation problem is involved, the area is a most logical one for redevelopment, and the splendid view lots on the upper slopes provide excellent residential sites. However, due to the difficult terrain, lack of streets and sewers, and with existing and proposed streets laid out in a gridiron pattern entirely unsuitable for the area, it has apparently never been possible to interest private real estate developers in investing capital on a piecemeal basis, and a full scale redevelopment program appeared to be the only solution.

The City Planning Commission, by resolution of March 23, 1950 recommended that Diamond Heights be designated for redevelopment,

REDEVELOPMENT AGENCY (Continued)

and the Board of Supervisors on July 24, 1950, so designated the area. Following public hearings on the proposed plan the Board of Supervisors approved on June 9, 1952 the Tentative Plan for Diamond Heights, Project B-1. About a year later on June 4, 1953 (Federal) Housing and Home Finance Agency Loan and Grant contracts were approved by the Redevelopment Agency.

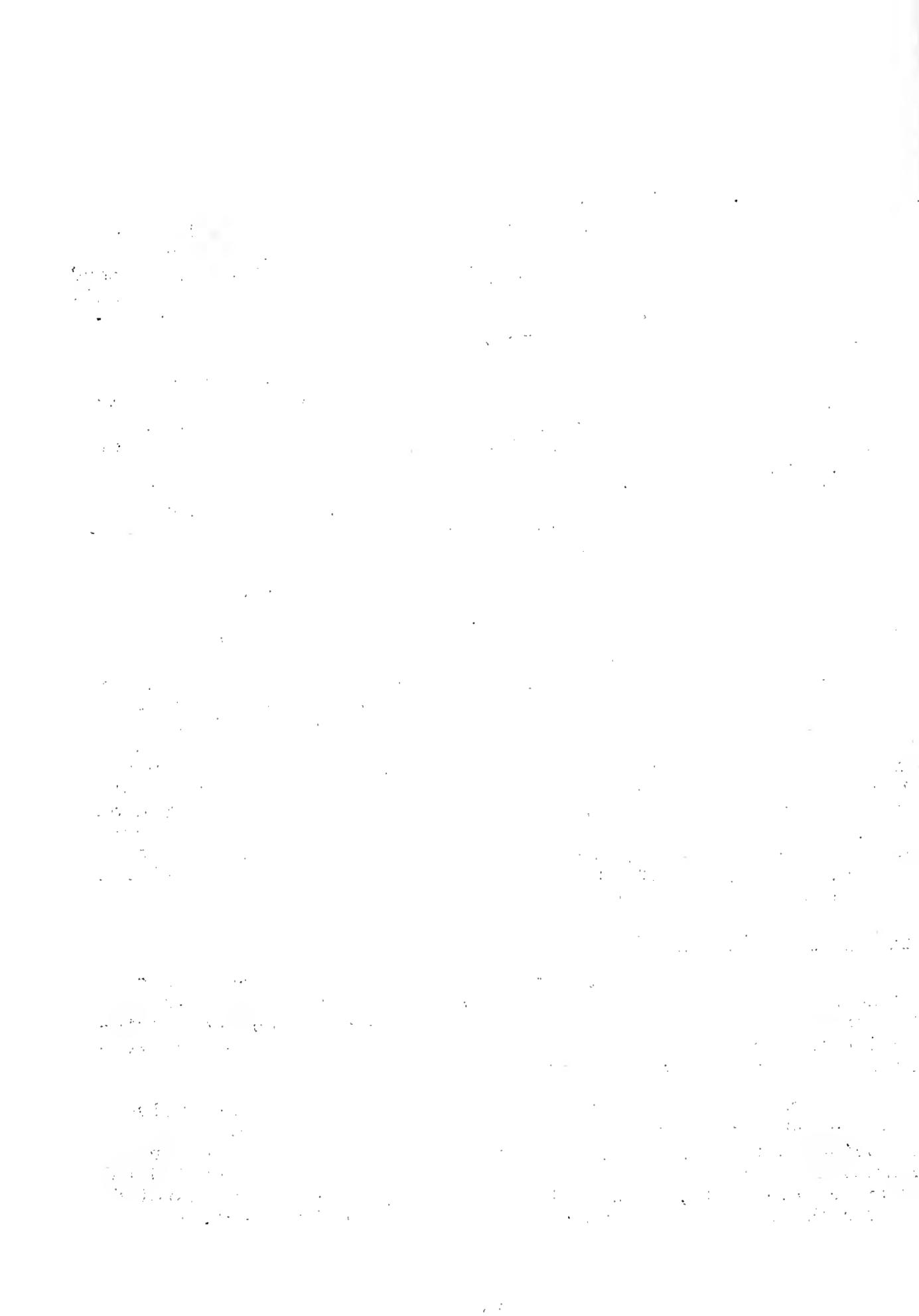
At this point a delay of eighteen months was incurred while the constitutionality of the California Community Redevelopment Law was tested in the courts, and it was not until December 27, 1954 that the matter was settled by the issuance of a Writ of Mandate. Following further public hearings required by law the Final Plan was submitted July 14, 1955 and approved by the Board of Supervisors on October 24, 1955. On March 1, 1956 a loan and grant contract was entered into with the Urban Renewal Administration, providing for a Government loan of \$6,790,882.

Property acquisition commenced with the first offer of sale by an owner on October 2, 1956. Thereafter, purchases were made steadily until, by June 30, 1957, 318 parcels had been purchased for \$751,000, representing about one half of the privately owned property to be acquired. Most of the remaining one half was owned by Atlas Realty Company, Crocker Estate, Fay Improvement Company, Fellom Brothers, Charles Harney and Rosenberg Brothers, and it became necessary to file condemnation actions against these owners. The first trial started October 9, 1957 and after 28 days of trial the jury awarded the 18 Atlas Realty Company Parcels to the Redevelopment Agency for \$137,860. A second trial started on May 1, 1958 and others followed and will follow until all property has been acquired. Only then can the City proceed with work on streets, sewers, utilities and the Agency proceed with actual sale of the land to private redevelopers.

South of Market (Area D)

The redevelopment area known as South of Market is of little interest at the present time by reason of the decision of the Urban Renewal Administration in March 1958 to decline consideration of requests for funds until the Redevelopment Agency submitted a satisfactory plan for the Produce Area.

The original South of Market Area consisted of twelve blocks which was later reduced to a six and one-half block area including parts of Folsom, Harrison, Natoma and Hawthorne Streets. Presumably at some future time, if conditions are met and Federal funds are available, this badly needed project can be reinstated, but for the present it stands as a de-designated project.



REDEVELOPMENT AGENCY (Continued)

Embarcadero-Lower Market (Area E)

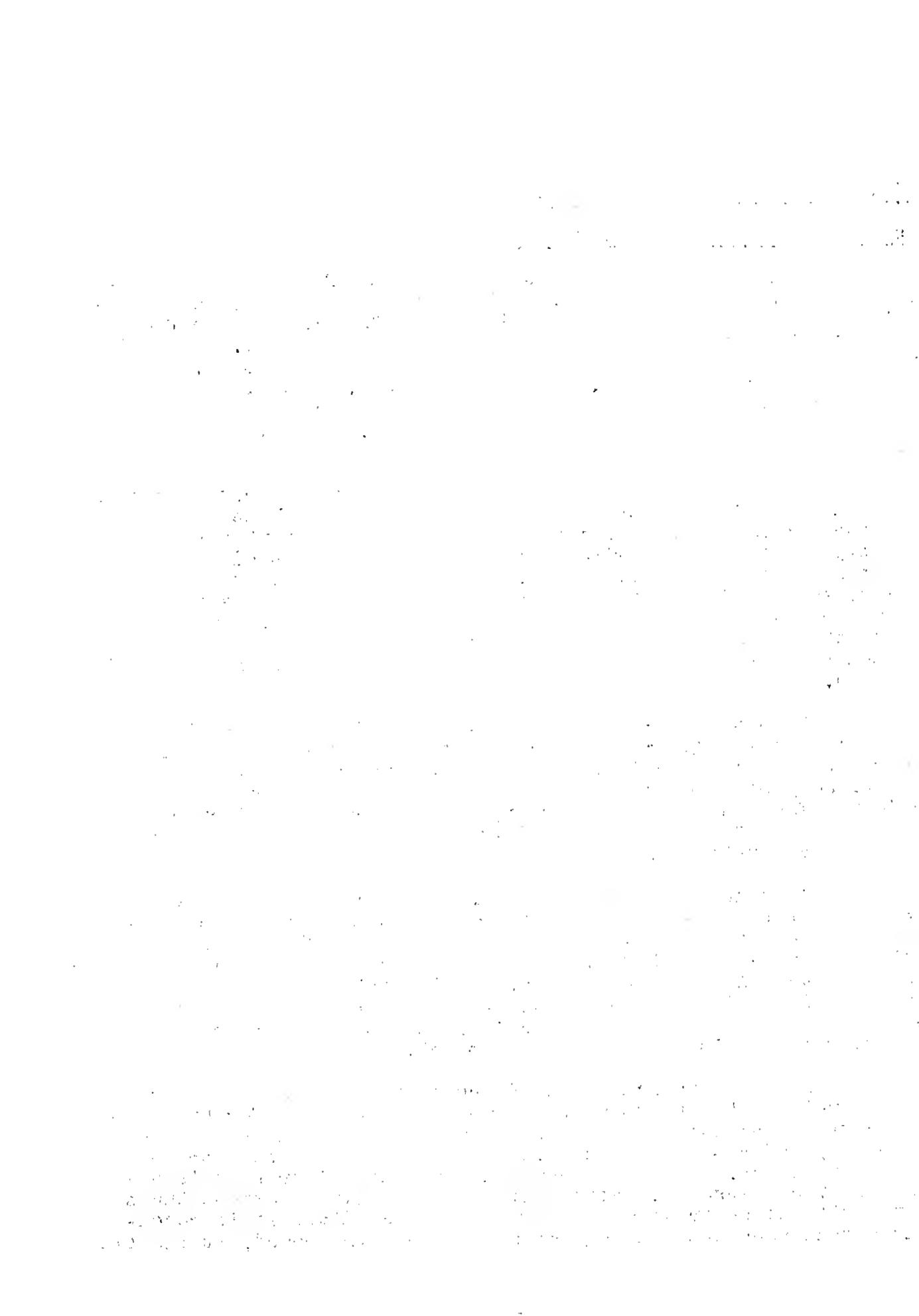
This project, known as "The Golden Gateway" and, by reason of its presently reduced size, as "Produce Market Area," was originally a 77.7 acre project extending along the Embarcadero from Howard to Broadway with Broadway as its North Boundary, thence South to Sacramento Street. Its western limits touched Sansome, Montgomery and Battery Streets. The reduced area, presently in the final planning stages, consists of 44.6 acres divided into 17 blocks, bounded by the Embarcadero, Broadway, Battery and Sacramento.

The produce market section long has been a civic problem and in designating the area for redevelopment on February 21, 1955 the Board of Supervisors recognized an obvious condition that could probably never be cured without a mass redevelopment plan. Because the area comprises mostly business rather than residential properties, the problem in the case of the produce area is vastly different than in the case of the Western Addition or Diamond Heights areas and presents problems of acquisition, relocation and reuse of land that are quite different from those primarily residential sections.

Despite the complexity of the Area E-1 project it seems apparent that the Agency is currently taking advantage of its experience on other projects and is, with the aid of other civic groups, keeping more pressure on the planning stages of this project. The minutes of the Agency meetings reflect discussions of planning matters, land disposition policy and discussions with potential redevelopers.

As mentioned above, the Market-Embarcadero project was designated for redevelopment February 21, 1955. More than three years elapsed between this date and April 17, 1958 when the Preliminary Plan - the first step in any project - was submitted to the Agency by the Planning Commission. During this three year period a good deal of time was apparently required in arranging for funds to prepare a schematic plan, appraisals and other data deemed necessary to consideration of the project.

The designation by the Board of Supervisors of an area for redevelopment without at the same time arranging for funds to take care of initial planning is an empty gesture on the part of the Board, and causes delays while other means are found to obtain the needed funds. Since the Urban Renewal Administration is apparently very reasonable about allowing preliminary expenditures by the City to be treated as grants-in-aid credits, it is recommended that when designating future projects the Board, at the time



REDEVELOPMENT AGENCY (Continued)

of the designation, appropriate funds for preliminary appraisals and other preliminary planning. There has been some criticism of the city for trying to get the maximum contribution from URA while the city keeps its own cash contributions at a minimum, and the appropriation of preliminary funds is one area where good faith and a desire to get on with the job can be evidenced in a concrete manner.

The Preliminary Plan was adopted by the Planning Commission April 17, 1958 and transmitted to the Redevelopment Agency. The Agency then negotiated with Skidmore, Owens and Merrill to prepare a Tentative Plan. The Tentative Plan was submitted to the Agency July 9, 1958 and, after the required two public hearings, the plan was approved by the Board of Supervisors October 14, 1958.

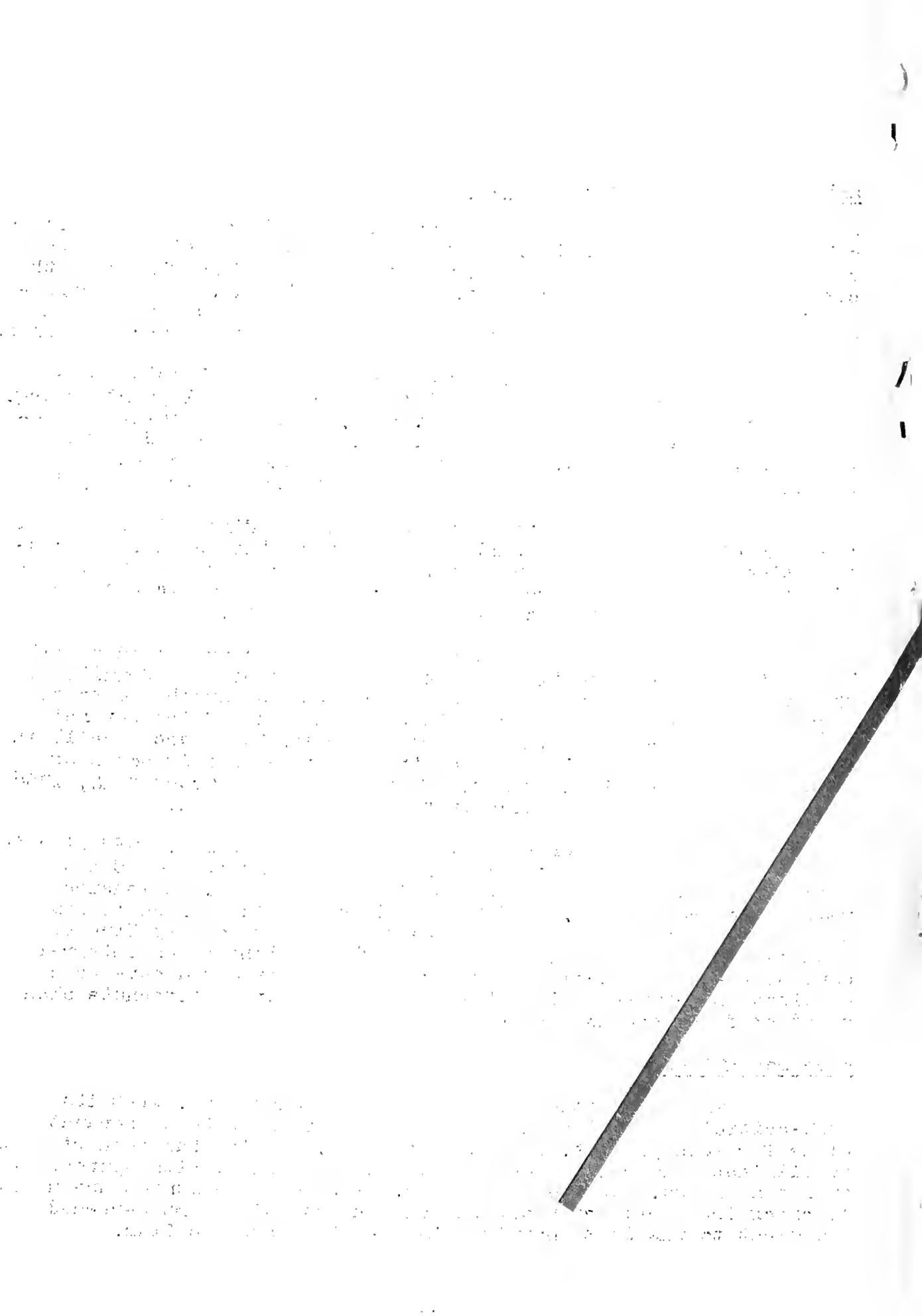
There remained the submission of the Final Plan, scheduled for completion December 15, 1958, after which the purchase or condemnation of properties can begin. While there are some very difficult problems to face on this project it is axiomatic that no problem can take precedence over land acquisition.

Many of the problems in Area E can and undoubtedly will be dealt with concurrently, and in the opinion of your Committee, the Staff of the Agency should be enlarged or strengthened to the degree necessary to permit simultaneous handling of the several phases of the project. The firm of Skidmore, Owens and Merrill in presenting the schematic plan and the Redevelopment Agency's own excellent chronological summary of steps taken to October 14, 1958 present various matters which must be given attention.

The failure of the voters at the November 4, 1958 election to give the necessary two-thirds majority to Proposition C has handed the Redevelopment Agency another problem. This measure would have provided \$2,785,000 for a Ferry Building Park of four acres along the Embarcadero from Mission Street to Clay Street. Because the Ferry Park has been planned all along as an integral part of the Area E project and because its cost could have been credited as grants-in-aid, it is important that an alternate plan be adopted as soon as possible.

Recommendations

The cumbersome Community Redevelopment Law, with its much-criticized requirement for the submission of three separate plans for each project, should be changed. Action has been started to eliminate the requirement for a Tentative Plan, with appropriate public hearings, and the Final Plan. Future Grand Juries are urged to check frequently on progress made in obtaining a much-needed amendment to the State Law to eliminate the Tentative Plan.



REDEVELOPMENT AGENCY (Continued)

The appraisal procedure followed by the Redevelopment Agency should be reviewed periodically to make certain that property owners are being offered fair market value for their properties. For those owners who are not satisfied with the offer made by the Agency, some type of appeal procedure should be available at nominal cost so that persons of limited means would not have to be subjected to condemnation proceedings without a preliminary hearing. This could consist of a body such as the Board of Permit Appeals, which would have the authority to order an additional appraisal at no expense to the property owner and which would also have the authority to modify within certain limits the amount previously offered by the Agency.

HOWARD H. LOWRY, Chairman

MRS. MARGARET KLAUSER

HENRY L. GIBBS

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